

USAID/Armenia
Results Review and Resource Request (R4)
March 2001

The attached results information is from the FY 2003 Results Review and Resource Request (R4) for Armenia and was assembled and analyzed by USAID/Armenia.

The R4 is a "pre-decisional" USAID document and does not reflect results stemming from USAID budgetary reviews. Additional information on the attached can be obtained from Sherry Grossman, EE/PCS.

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Cover Memo

Date: 7 March 2001

From: Keith E. Simmons, USAID/Armenia Mission Director

To: Dianne Tsitsos, EE/PCS

This cover memo accompanies the electronic submission of the USAID/Armenia FY 2003 R4. The R4 was developed based on a detailed portfolio review conducted by each Strategic Objective (SO) Team, including preparation of individual Activity Monitoring Reports that will be submitted separately for EE/PCS' records. The review process also entailed consultations with implementing partners, counterparts and Embassy colleagues—including the Ambassador, and benefited from ongoing contacts with other donors and members of the U.S. Armenian Task Force.

While this R4 does not propose any substantive SO-level adjustments, there are several issues that require USAID/Washington approval, consideration and/or guidance:

As outlined in the Results Review section for the Private Sector Growth SO (111-013), the Mission is considering phasing-out its privatization intermediate objective (IR #1), based on the completion of work to establish the framework for privatization, the limited attractiveness of remaining state-owned enterprises, and the GOA's lack of aggressiveness in pursuing privatization over the last two years. Certain interventions related to privatization—for example, bankruptcy procedures and regulation of selected utilities—may be incorporated into other elements of the SO.

The Mission has shifted the Eurasia Foundation activity to its Special Objective (SpO) No. 111-042 (Special and Crosscutting Initiatives), due to Eurasia's involvement in several sectors and USAID's limited management role.

The Mission recommends the establishment of a separate objective for the expanded Earthquake Zone (EQZ) Recovery Program, rather than continuing to cite it under SpO No. 111-042. This will facilitate future reporting of this high-value (up to \$30 million) and politically urgent initiative. The Mission requests confirmation that it is appropriate to link this new special objective to the Agency's Objective No. 6.1 (Urgent Needs Met in Times of Crisis), as well as guidance as to the numbering of the new objective. Lastly, assuming approval of this new SpO, the Mission will seek guidance from EE/PCS as to the possible need to re-notify FY 2001 funding for this program, as the notification previously submitted listed it under SpO No. 111-042.

The Mission, with the Ambassador's support, is requesting an \$11 million increase in its FY 2002 allocation (to \$69 million) to fully fund the expanded Earthquake Zone Recovery Program.

The Results Framework Annex outline changes made to the Social Transition SO (No. 111-034) at the IR level. These changes represent a simplification of the framework, which still encompasses all of the elements included in the version reviewed by the Bureau last year.

The Results Framework Annex cites several possible changes to the performance data tables (PDT) that the Mission will include in next year's R4. The current privatization indicator may be dropped under the Private Sector SO (111-013). To reflect the impact of new USAID programs to develop alternate energy sources, a related indicator may be added under the Energy SO (111-015). The Democracy/Governance SO will drop one previously reported indicator to comply with the new requirement to include at least one SO-level indicator.

The Mission is requesting two additional USDH positions, one to serve as the Deputy of our Economic Restructuring and Energy Office, and the other to serve as our Controller.

For FY 2002 and FY 2003, the Mission is requesting increases of \$400,000 and \$500,000 in OE funding, respectively, primarily to cover the Security Supplemental that will be charged to ICASS beginning next year.

We appreciate this opportunity to engage USAID/Washington in assessing the performance of our program and analyzing future options. In fact, several E&E staff members were personally involved in our internal reviews during their recent visits to Armenia. My staff and I look forward to working with Bureau staff over the next month to get the most out of this process, and continuing that close collaboration throughout the next year. Please contact Tom Delaney to follow-up on any questions or requests related to this submission.

Table of contents

RESULTS REVIEW AND RESOURCE REQUEST (R4).....	1
TABLE OF CONTENTS.....	5
ABBREVIATIONS AND ACRONYMS	6
R4 PART I: OVERVIEW AND FACTORS AFFECTING PROGRAM PERFORMANCE.....	7
R4 PART II: RESULTS REVIEW BY SO	11
SO 111-013: Growth of The Competitive Private Sector.....	10
SO 111-015: A More Economically and Environmentally Sustainable Energy Sector.....	19
SpO 111-016: More Sustainable Water Management for Enhanced Environmental Quality.....	27
SO 111-021: More Transparent, Accountable and Responsive Democratic Governance.....	29
SO 111-034: Mitigation of the Adverse Social Impacts of the Transition.....	39
SpO 111-042: Special Initiatives and Cross-Cutting Initiatives.....	46
SpO 111-TBD: Households Living in Inadequate Shelter.....	49
R4 PART III: RESOURCE REQUEST	53
PROGRAM, WORKFORCE AND OE TABLES.....	57
SUPPLEMENTAL INFORMATION ANNEXES	58
Environmental Impact.....	58
Updated Results Framework.....	59
Institutional And Organizational Development.....	68
GLOBAL CLIMATE CHANGE	69
SUCCESS STORIES	73
E&E R4 DETAILED BUDGET INFORMATION	78

Abbreviations and Acronyms

AED	-	Academy for Educational Development
AERC	-	Armenian Energy Regulatory Commission
AIHA	-	American International Health Alliance
AJRA	-	Association of Judges of the Republic of Armenia
ANPP	-	Armenian Nuclear Power Plant
ADRA	-	Adventists Development and Relief Agency
BARA	-	Bar Association of the Republic of Armenia
CARE	-	Cooperative for American Remittances to Europe
CCC	-	Council of Court Chairmen
CEC	-	Central Elections Commission
CIS	-	Commonwealth of Independent States
CMRP	-	Comprehensive Market Reform Program
DFID	-	Department for International Development
DSRO	-	Democracy and Social Reform Office
EBRD	-	European Bank for Reconstruction and Development
ENI	-	Europe and New Independent States
EREO	-	Economic Reform and Energy Office
EU	-	European Union
EU/TACIS	-	European Union Technical Assistance CIS
FINCA	-	Foundation for International Cooperative Assistance
GDP	-	Gross Domestic Product
GOA	-	Government of Armenia
GTZ	-	Gesellschaft für Technische Zusammenarbeit
IBTCI	-	International Business and Technical Consultants, Inc
IESC	-	International Executives Service Corps
IFC	-	International Finance Corporation
JHU	-	Johns Hopkins University
IMF	-	International Monetary Fund
MOJ	-	Ministry of Justice
NGO	-	Non-governmental Organization
NIS	-	New Independent States
OSCE	-	Organization for Security and Cooperation in Europe
OSI	-	Open Society Institute
ROA	-	Republic of Armenia
SME	-	Small and Medium Enterprises
SO	-	Strategic Objective
SOE	-	State-Owned Enterprise
SpO	-	Special Objective
UMCOR	-	United Methodist Committee on Relief
UNDP	-	United Nations Development Program
UNICEF	-	United Nations Children's Fund
USAID	-	U.S. Agency for International Development
USDA	-	U.S. Department of Agriculture
USEA	-	U.S. Energy Association
USG	-	U.S. Government
USIS	-	U.S. Information Service
WFP	-	World Food Program
WHO	-	World Health Organization
WTO	-	World Trade Organization
WVI	-	World Vision International

R4 Part I: Overview and Factors Affecting Program Performance

Since its independence, Armenia has emerged as a strategically important republic in the Caucasus, whose progress towards a democratic political order and free market economy is critical to U.S. interests in the region. Specifically, U.S. engagement in Armenia is focused on promoting economic growth and political stability, to include regional economic integration and political cooperation—most notably a peaceful and mutually acceptable settlement of the Nagorno Karabakh conflict. The current USAID/Armenia program is fully integrated in the Embassy’s “Mission Program Plan (MPP), which identifies conflict resolution, democracy, rule of law and human rights, economic development and prosperity, social sector development, and regional diplomacy as USG priorities. During the last year, the USAID program was instrumental in facilitating progress in most of these areas, as work under each of its Strategic/Special Objectives (SO/SpO) continued to lay the structural groundwork for Armenia’s long-term development and address shorter-term quality-of-life issues. While such an undertaking will inevitably experience delays and setbacks, a cautiously optimistic assessment of progress in 2000 can be based on several overarching observations:

- 1) Following the October 1999 parliamentary assassinations, a serious political crisis—with economic implications—ensued, resulting in two changes in government. On the positive side, these transitions adhered strictly to constitutional law. On the negative side, the GOA was largely unable to follow-through on policy initiatives during the first half of 2000. However, the current government was established in May/June 2000 and has put together an ad hoc working majority in Parliament, successfully negotiated new agreements with the World Bank and IMF, and indicated a strong commitment to continuing the reform process. To some extent, this process of stabilization and respect for the rule of law in the face of very difficult political and socio-economic circumstances can be attributed to the programs carried out by USAID over the last several years, as well as to broader USG diplomatic efforts.
- 2) Armenia’s long-term economic growth depends largely on improving relations with its neighbors, especially a peaceful resolution of the Nagorno Karabakh (NK) conflict, which would lead to open borders with Turkey and Azerbaijan. USAID’s support for the structural reform of Armenia’s economic and governance systems will position the country to reap the benefits of the eventual increase in market access and opportunities for regional cooperation that would follow an accord on NK. In the meantime, the impact of USAID’s program will be constrained by factors related to regional tensions. Notwithstanding, Armenia registered its seventh straight year of positive economic growth (Armenia is the only CIS country that can make this claim); the estimated 5% growth in 2000 occurred despite a region-wide drought that seriously affected agricultural production and the lingering effects of the 27 October assassinations. Furthermore, the significant increase in tax collections over the latter part of 2000 and early 2001 bodes well for the GOA’s ability to provide more resources for social programs in the future.
- 3) The USAID/Armenia portfolio has undergone a significant change in character, increasingly addressing the negative impacts of transition in an effort to meet some of the immediate basic needs of the population and thereby ensuring ongoing popular and political support for the sometimes-difficult transition process. Through 2000 and into early 2001, this transformation

included a new strategic focus on the social sectors; redesign of efforts to promote democratic governance through grassroots interventions; increased investment in firm-level assistance; a first-time comprehensive approach to promoting energy efficiency measures and alternate energy development; a new program to re-house victims of the 1988 earthquake; and start-up of a water resources initiative. USAID will dedicate more than 50% of its budget from FY 2001 to FY 2003 to work directly with firms, private associations, community groups and vulnerable populations. Further portfolio refinements may be made based on the analysis of recently available data (e.g., WFP Nutrition Survey and USAID DHS, as well as the planned 2001 census), which may lead to more specific targeting of USAID assistance by geographic area and/or socio-economic group.

Below is a summary of progress and prospects specific to each Strategic and Special Objective:

- 1) **Growth of a Competitive Private Sector:** Based largely on USAID technical assistance and USG policy dialogue, Armenia's tax administration improved significantly, and a well-conceived securities regulator was established. While financial sector institutions remain nascent, USAID assistance has been a factor in the upward trends of credit to the non-banking sector and household deposits, which increased by 20% and 51%, respectively, in 2000. Finally, USAID's firm-level support over the last year included the provision of \$2.7 million in loans (34% to woman-headed firms) and technical assistance, resulting in more than \$5 million in sales, as well as the creation of more than 3,200 full-time and 6,300 part-time jobs (49% women). While the prospects for the ultimate achievement of this SO are influenced by several factors beyond USAID's manageable interests (most significantly, regional stability and the GOA's re-invigorated commitment to legal and policy reforms), indications are that USAID is providing the support necessary to facilitate the transition of Armenia's economy. Based on performance reviews and strategic reassessments, the Mission has established a portfolio of new/modified firm-level assistance mechanisms. Furthermore, having helped to establish the GOA's procedures for enterprise privatization, the Mission expects to phase-out its direct assistance for non-energy privatizations and increase its focus on the policy, legislative and institutional issues that impact broadly on the conduct of private businesses.
- 2) **A More Economically and Environmentally Sustainable Energy Sector:** In 2000, USAID's technical assistance, policy dialogue with the GOA and coordination with donors were instrumental in keeping the process to privatize Armenia's energy distribution companies open and transparent. As an example, the USG played a key role in ensuring the continuing application of related conditionality in World Bank-GOA agreements. USAID's technical and commodity support in areas such as the preparation for generation company privatization, strengthening the capacity of the independent energy regulatory commission, analysis of alternate sources of energy, and preliminary pilot efforts to improve energy efficiency has generally advanced the process of energy sector restructuring in Armenia. However, given a yearlong delay in the sale of distribution assets, as well as a growing energy debt to Russian entities—with indications that repayment of the debt might be attempted through the transfer of generation facilities to Russian ownership, prospects for achievement of this SO remain uncertain. It is still hoped that the privatization of the distribution companies, which is a condition of the recently negotiated World Bank

Structural Adjustment Credit Program, will be completed in the fall of 2001, thereby facilitating the development of the wholesale power market infrastructure needed to support the privatization of generation capacity and attraction of much-needed private capital for infrastructure upgrades. Meanwhile, despite previous gains related to several commercialization and efficiency measures that compared very favorably with experiences throughout the NIS (e.g., cost recovery and collection rates of 59% and 88%, respectively, in 1999), progress stalled in 2000 and further progress can not be expected until privatization moves forward. Unless this process has further setbacks in 2001, the Mission does not plan any adjustments to this SO.

- 3) **More Sustainable Water Management for Enhanced Environmental Quality:** This Special Objective addresses some of the severe consequences of the environmental degradation in Armenia and complements USAID's efforts in other areas that are impacted by water issues (e.g., energy, health, tourism). As the program just got underway in November 2000, there are no issues to address in this overview.
- 4) **More Transparent, Accountable and Responsive Democratic Government:** Following the terrorist assassinations in October 1999, constant political maneuvering—including frequent turnover of Ministers and other key counterparts, the merger and splitting of a number of Ministries, and instability within the National Assembly—distracted attention from the legislative reforms necessary for improving democratic governance. This context contributed to disappointing performance relative to reforms that would empower local self-governing bodies, establish effective administrative procedures, and promote the independence, transparency and dependability of the judiciary. However, based on an internal assessment of progress over the last two years, the Mission initiated several programmatic adjustments to this SO in 2000, including the start-up of new activities to increase grassroots political and civic participation, as well as the development of a new program to strengthen the National Assembly. The Mission hopes that these adjustments will lead to improved performance and increased impact under this SO through the remainder of the strategy period.
- 5) **Mitigation of the Adverse Impacts of the Transition:** A limited number of health activities were in place prior to 2000. One of these, the nationwide reproductive health information campaign, exceeded expectations with government-sponsored women's wellness centers marking an 85% increase in attendance immediately following the mass media campaign. Because the bulk of the activities designed to promote institutional reform and improve service delivery under this SO only began late last year, it is too early to report progress toward the achievement of any key results or anticipate any strategic adjustments.
- 6) **Special and Crosscutting Initiatives:** The Mission's pilot housing certificate program is in the process of providing adequate shelter to 325 families. Based on this success, the GOA's overall approach for assisting the more than 25,000 victims of the 1988 earthquake who still live in temporary quarters includes an expanded USAID program as its centerpiece. While initial funding will be provided through a FY 2000 Congressional earmark and available FY 2001 funding, the Mission—with the Ambassador's backing—is requesting additional FY 2002 funding in order to respond positively to a high-level GOA request for additional

USAID support to address what is considered to be one of the GOA's most pressing political and economic priorities. An actual commitment of the additional resources will be made based on experience through the first phase of the expanded program and a determination that FY 2002 funds are available.

R4 Part II: Results Review by SO

Country/Organization: USAID/Armenia

Objective ID: 111-013

Objective Name: **Growth of a Competitive Private Sector**

Self-Assessment: Meeting expectations

Summary: USAID's support for the growth of a competitive private sector in Armenia is directly linked to the following Agency Objectives: 1.1) critical private markets expanded and strengthened (60%); 1.3) access to economic opportunity for the rural and urban poor expanded and made more equitable (20%); and 2.4) more transparent and accountable government institutions encouraged (20%). This Strategic Objective is primarily linked to the MPP's economic development goal and secondarily linked to the MPP's open markets goal, which are based on the USG's national interest in Armenia's economic prosperity.

Armenia's transition to a market economy has been hampered by the legacy of central planning, severe economic shocks arising from the collapse of the Soviet Union and then the ruble crisis, regional conflicts and the limited ability and/or political will of decision makers to undertake critical reforms to restructure the economy. The economic and political turmoil that Armenia experienced in the early and mid-1990s had a negative impact on the living standards of its population. For example, it is estimated that GDP in 1997 was 38% of the 1989 level (per capita income was approximately \$432); official unemployment stood at nearly 11% in 1997 (unofficial employment is generally estimated to run 2-3 times higher than official figures); and by 1996, 55% of the population lived below the poverty line.

In recent years, the Government of Armenia (GOA)—with USG and other-donor support—has pursued policies that have resulted in improved macroeconomic trends. Unlike anywhere else in the Former Soviet Union (FSU), annual GDP growth has been positive since 1994; likewise, to a higher degree than most if not all FSU countries, Armenia has experienced low inflation rates and stable exchange rates. Armenia has made substantial progress toward creating a viable private sector through such policies as early privatization of agricultural land, housing, shops and restaurants; a mass privatization program; employee buy-outs of small enterprises; and privatization of larger enterprises through cash sales. The European Bank for Reconstruction and Development (EBRD) ranks the country in the middle range of transition countries on banking reform and interest rate liberalization, and fairly high on the quality of governance. However—to a large extent due to the exogenous factors cited above—foreign investment and exports remain below the levels needed for sustainable growth, employment figures have not improved, and out-migration continues at an alarming rate.

Since the inception of this Strategic Objective (SO) in 1999, USAID has been addressing these unfavorable economic conditions, with the goal of increasing employment and income opportunities for all Armenians. USAID has taken the dual approach of promoting macro-level policy and institutional changes, while providing credit, technical assistance and training to

selected sectors and firms. Specifically, USAID activities are designed to achieve the following Intermediate Results (IRs): 1) encourage the privatization of state-owned holdings; 2) establish a policy, legal and institutional environment that is conducive to private sector activity; 3) increase access to financial capital; and 4) increase the capacity of selected private enterprises to conduct business. Upon the completion date of this SO (2004), it is expected that the private sector share of GDP and employment will have increased to approximately 75% and 80%, respectively (from 55% and 56% in 1997); bank credit to the non-banking sector will be increasing at an annual rate of 20%-25%; and approximately 5,000 full-time and 7,000 part-time jobs will be created each year as a result of USAID's firm-level assistance.

Over the last year, progress towards this Strategic Objective can guardedly be viewed as meeting expectations, as generally positive outcomes were achieved under three of four IRs (with privatization being the exception). This positive assessment is based on an estimated 5% GDP growth; a slight increase in the private sector's share of employment; significant advances in tax administration and land titling systems; an increase in the availability of credit to the non-banking sector; the establishment of a well-conceived securities regulator; and improved performance of USAID's firm-level interventions. However, the Armenian economy remains troubled, as GDP growth has been slower than expected, employment opportunities have not increased significantly, and substantial foreign investment has not been forthcoming. While USAID can point to its successful championing of many structural and systemic measures that will support long-term economic growth and reduce opportunities for corruption, the real extent of their impact will not be felt until Armenia's borders are opened. In the meantime, the USG and other donors are working to encourage the GOA to show leadership and take concrete actions in several areas (e.g., privatization and the policy/legislative environment) that are critical to the ultimate achievement of the SO. In addition, USAID continues to look for opportunities to facilitate business activity that has the potential to create jobs and increase income, even in the current environment (e.g., agribusiness, tourism and information technology).

Key Results: Over the last year, the private sector share of GDP remained constant, although the private sector share of employment did increase from 70% to 72.3%. Furthermore, while the official twelve-month moving average unemployment rate from September 1999-September 2000 was 11.8%, the rate stood at 11.2% in September, the lowest since May 1999. The fact that progress towards these higher-level results was limited can be partially linked to shortfalls relative to USAID's privatization targets. For example, only 41 state-owned enterprises (SOEs) were privatized/liquidated in 2000, compared to a target of 130. Furthermore, the GOA's on-again/off-again enthusiasm for privatizing strategic assets is indicated by the fact that there was little movement against the 21 key enterprises identified in a December 1999 decree, and in late 2000 the GOA established a new list of 14 priority privatization actions.

The Euromoney Index of Country Risk indicates that Armenia improved slightly between September 1999 and September 2000 in score (29.63 to 30.47) and more significantly in ranking, reaching 131st in the world as compared to 144th a year ago. This Index—as well as the EBRD's Governance and Enterprise Restructuring Index, which continued to show Armenia as a mediocre performer (2 on a scale of 1-4)—is consistent with the Mission's assessment that the general business environment has improved only marginally over the last year. While financial

sector institutions remain nascent, USAID assistance has been a factor in the upward trends of credit to the non-banking sector and household deposits, which increased by 20% and 51%, respectively, in 2000. Finally, in 2000 USAID's firm-level support included the provision of \$2.7 million in loans (34% to woman-headed firms) and technical assistance, resulting in more than \$5 million in sales, as well as the creation of more than 3,200 full-time and 6,300 part-time jobs (49% women).

Performance and Prospects: Over the last several years, USAID has provided a comprehensive package of support for the "Privatization of State-owned Holdings" (IR #1). After having helped establish the procedures for cash privatizations, USAID hoped to focus its assistance in 2000 on the transfer of the handful of remaining state-owned enterprises (SOEs) that have the potential to be competitive in a market economy. However, while USAID's assistance was instrumental in the GOA's initiation of the privatization process for more than 100 state-owned enterprises (SOEs), only a fraction of these actually moved through the pipeline. The GOA's failure to increase the pace of privatization in 2000, its over-valuation of state-owned properties, the continuing high-indebtedness of these enterprises, and a dysfunctional bankruptcy process do not bode well for further progress towards this intermediate result. Based on a November 2000 decree establishing a new privatization pipeline of 14 key enterprises and indications that the GOA will aggressively pursue the privatization of the national airline and airport, USAID did extend its current mechanism to support privatization through June 2001, with a focus on airline privatization and bankruptcy procedures.

Taking into consideration that the general framework for the GOA to privatize its remaining assets is in place and the fact that those assets have limited potential to be major factors in future employment/income generation, USAID expects to phase-out its direct assistance to the privatization process in June 2001. This will mean that USAID's original privatization targets will not be met. (When the Mission Strategy was developed, the 2003 target was 430 cash privatizations/liquidations, out of a universe of 660; to date, only 71 have been privatized.) However, the Mission believes it can still achieve its higher-level objective of private sector growth by shifting additional resources to support an improved business environment and firm-level assistance. This could include work on bankruptcy procedures and regulation of utilities, which USAID has addressed to a limited extent to date under the privatization rubric, as well as support for special-case privatizations (e.g., the airlines).

Related to the development of a "Policy, Legal and Institutional Environment Conducive to Private Sector Activity" (IR #2), USAID's assistance directly contributed to a series of positive developments during the last year. These included: 100% adoption of International Accounting Standards (IAS) and introduction of cost accounting; establishment of Computer Learning Centers at three major universities to enhance Armenia's information technology (IT) capacity; passage of a new Customs Code and reduction of the average time required to clear customs by 27%; processing of 76% of tax payers through newly automated offices (the systems were first established in 1999); an increase in tax revenues as a percentage of GDP from 14.6% to 14.9% (despite early-year shortfalls); passage of the Government Procurement Law and establishment of a central GOA Procurement Office; and issuance of more than 242,000 land title certificates through an electronic registration system (the first in the NIS). However, while USAID technical assistance has helped move the legal and regulatory reform process forward, actual changes

expected in 2000 were not effected in a variety of areas (e.g. laws on Collateral, Registration of Legal Entities, Limited Liability and Joint Stock Companies, Alienation of State Property, Licensing, Public Auction and Bankruptcy).

Based on last year's successes in standardizing and modernizing tax administration practice, which included the roll-out of streamlined registration, declaration filing and payment procedures nationwide, USAID is confident that its efforts will help increase government revenues (e.g., it is estimated that revenues in January 2001 were 47% higher than in the same month last year), rationalize resource allocations and reduce corruption during the Strategy period. Likewise, prospects are positive for the consolidation of land and accounting reform through private sector entities, as well as the development of the human resources and regulatory environment needed to provide the impetus for IT development. On the down side, due to unsatisfactory progress in policy and legal reform over the last two years, USAID plans to conduct a comprehensive evaluation of the scope, mechanisms and impact of its rule of law/commercial law program this spring.

Significant progress was made over the last year to "Improve Access to Financial Capital" (IR #3). Improved banking supervision—to include implementation of 60% of Basel Core Principles (as compared to 38% in 1999) and on-site bank examinations—and the establishment of card-based operations can be cited as contributing factors to the increased levels of credit and deposits cited above. In addition, several concrete steps were taken over the last year to promote capital markets development, including passage of the Law on Security Markets Regulation, strengthening of the Securities Commission, the installation of an automated securities trading platform, and strengthening of the brokers/dealer association. Finally, adjustments made to USAID's credit programs resulted in a three-fold increase from 1999 to 2000 in the value of loans provided to micro, small and medium entrepreneurs.

The last year was one of transition for USAID's efforts to "Increase the Capacity of Private Enterprises to Conduct Business" (IR #4). Improved performance of ongoing, limited-scale activities in support of micro, small and medium enterprises resulted in \$5.4 million in sales, \$1 million in exports, 3,219 full-time jobs and 6,307 part-time jobs. More than 1,000 USAID-assisted enterprises began to use IAS and 1,100 entrepreneurs (31% women) received management training. In addition, in August 2000 USAID initiated a new four-year program to improve the efficiency of and identify markets for agribusiness SMEs. It is expected that the implementation of this activity—as well as the re-focusing of other SME technical assistance and credit activities—will result in a significant level of new jobs and increased sales/income in the coming years, which will be even higher if a peace accord over NK is reached and borders are opened.

Possible Adjustments to Plans: As cited above, the Mission will reach a decision point within the next couple of months as to its future support for privatization (IR #1). While SOEs would remain a resource drain on the government budget and the economy in general, the Mission believes that its objectives can be achieved even without complete SOE privatization. If this phase-out of USAID assistance is executed, the Mission could continue to provide assistance to improve bankruptcy practices and—possibly—regulation and selected privatizations within strategic sectors (e.g., telecommunications, transportation) as part of its efforts to establish an

environment conducive to private sector activity (IR #2). USAID will begin a next phase of support in several areas in FY 2001. A new three-year activity will: a) facilitate customs administration improvement and modernization, b) improve the quality of macroeconomic analysis and revenue and expenditure forecasting; c) strengthen budget planning and execution, and d) improve tax policy and tax administration. The Mission is also exploring options to continue support for accounting reform and the development of a real estate market through private sector partnerships. Through an expansion of its ongoing mechanism with IRM, USAID will begin to address a range of issues to facilitate the development of information technology within the Armenian economy, as well as support information systems development related to tax/fiscal and banking initiatives. USAID will also establish a new comprehensive program to build on the recent successes related to capital markets development. In addition to its major focus on agribusiness, which is just underway, USAID expects to modify existing mechanisms to focus firm-level support in promising sectors (e.g., IT, jewelry and tourism) and expand its provision of microcredit. For each of these new/modified instruments, the Mission is specifically seeking ways to encourage the participation of women.

Other Donor Programs: USAID works closely with the World Bank to develop and apply loan conditionality related to privatization and commercial law. USAID's IT initiatives will complement a new Enterprise Incubator for IT SMEs that the World Bank is financing. EU/TACIS has a small program providing training in accounting reform that is complementary to USAID's broader program. Various non-USAID credit programs target particular niches: EU/TACIS, UMCOR and USDA target the agricultural sector; and the World Bank and Lincy Foundation provide larger loans (\$100,000 - \$1,000,000). The (British) Department for International Development (DFID), EU and the World Bank are providing preliminary assistance related to civil service reform. DFID also has provided an advisor on customs systems. The IMF plays a lead role in tax/fiscal and banking sector policies. EU and World Bank support for the land titling process has complemented USAID land registration and surveying work.

Principle Contractors, Grantees or Agencies: Current contractors and grantees include Shorebank, International Executive Service Corps, Agricultural Cooperative Development International/Volunteers in Overseas Cooperative Assistance, Development Alternatives Inc., International Business and Technical Consultants Incorporated, Price Waterhouse/Coopers, the Barents Group, RONCO and Chemonics.

Performance Data Tables

Objective Name: Growth of a Competitive Private Sector			
Objective ID: 111-013			
Approved: 1999 Country/Organization: USAID/Armenia			
Result Name: Growth of a Competitive Private Sector			
Indicator: Private Sector Share of Employment			
Disaggregated By: NA			
Unit Of Measure: percentage	Year	Planned	Actual
Source: National Statistical Service	1997	Baseline	56
	1998	N/A	66
Indicator/Description: The labor force excludes students but includes employees of farm and cooperative sector.	1999	63	70
	2000	73	72.3
<p>Comments: Current data indicate a continuing trend towards increasing private sector activity in Armenia. Coupled with an estimated 5% increase in GDP in 2000, this can be considered incremental progress towards the achievement of this SO. However, in order to have a significant impact on quality of life and income distribution, a more rapid rate of GDP growth—accompanied by a continuing increase in the private sector share of employment and the creation of employment options for the many workers displaced by the transition of Armenia’s economy—is necessary.</p> <p>At this level, it is difficult to directly attribute progress to USAID’s interventions. However, USAID support for privatization, improvements in the business environment, increased access to credit and support to SMEs will contribute to increasing the private sector’s share of GDP and employment.</p>	2001	75	
	2002	78	
	2003	80	

Objective Name: Growth of a Competitive Private Sector			
Objective ID: 111-013			
Approved: 1999 Country/Organization: USAID/Armenia			
Result Name: State Owned Holdings Privatized			
Indicator: Key State Owned Enterprises Privatized			
Disaggregated By: N/A			
Unit Of Measure: Cumulative Number	Year	Planned	Actual
Source: Contractor Report	1998	Baseline	0
Indicator/Description: A “key enterprise” is defined as one that had over 1,000 employees in 1990, and/or was sold for more than \$1,000,000, and/or received investment guarantees for more than \$2,000,000, and/or was guaranteed more than 300 jobs for at least one year. Privatized is defined as at least 70% private ownership.	1999	N/A	2
	2000	5	6
	2001	10	
	2002	14	
	2003	17	
Comments: Even though this year’s target was exceeded, the privatization of these assets did not coincide with a consistent and aggressive GOA approach to privatization. This is reflected by the lack of movement against the list of 21 enterprises the GOA established as privatization priorities in December 1999, as well as the fact that only 41 privatizations/liquidations took place in 2000. A total of 71 privatizations took place in 1999 and 2000, out of a universe of more than 600 SOEs identified in 1999 for the cash privatization process. USAID has directly assisted the GOA in establishing the standards for privatizations and facilitating specific privatization actions.			

Objective Name: Growth of a Competitive Private Sector			
Objective ID: 111-013			
Approved: 1999 Country/Organization: USAID/Armenia			
Result Name: Policy, Legal & Institutional Environment Conducive to Private Sector Activity			
Indicator: Euro Money Index of Country Risk			
Disaggregated By: NA			
Unit Of Measure: Scale (0-100)	Year	Planned	Actual
Source: Euromoney Magazine	1997	Baseline	25.62
Indicator/Description: The index includes political risk, economic performance, debt indicators, debt default or rescheduling, credit ratings, access to short-term financing, access to capital markets and discount on forfeiture. A higher score indicates better economic prospects and investment opportunities (lower risk). Scores are calculated on a semi-annual basis (March and September). September score cited as annual score.	1998	34	32.73
	1999	36	29.63
	2000	37	30.47
	2001	39	
	2002	40	
Comments: Despite a slight improvement in score over the last year (and a more significant improvement in ranking among all countries from the 144 th in 1999 to 131 st in 2000), Armenia's score has lagged behind expectations. This is consistent with the Mission's assessment of disappointing performance in many policy/legislative areas. The Euromoney score also captures the impact of ongoing political instability in Armenia (or at least perceptions thereof). This would be especially relevant given the October 1999 assassinations, ongoing regional conflicts, and the frequent maneuverings/changes among the top echelons of GOA leadership. Changes in this index can not be directly attributed to individual USAID interventions. However, the success of the range of USAID policy reform and institution building programs aimed at improving the environment for private commerce should ultimately be reflected in a higher score for Armenia on this scale.	2003	42	

Objective Name: Growth of a Competitive Private Sector			
Objective ID: 111-013			
Approved: 1999 Country/Organization: USAID/Armenia			
Result Name: Increased Capacity of Private Enterprises in Selected (Sub) Sectors to Conduct Business			
Indicator: Jobs created (full time)			
Disaggregated By: Gender			
Unit Of Measure: number	Year	Planned	Actual
	1998	Baseline	0
Source: Reports from implementing partners (currently IESC, VOCA, Shorebank/FINCA, Eurasia, DAI).	1999	N/A	N/A
	2000	3,000	3,219 (1,498/1,721)
Indicator/Description: Total number of new positions (male/female split) directly attributable to USAID credit or technical assistance.	2001	4,300	
	2002	5,000	
Comments: This indicator was just introduced last year. Therefore, arrangements had not been made to disaggregate 1999 data by gender, or to distinguish between full- and part-time employment. The total number of full- and part-time jobs created in 1999 was 5,295. In addition to the number cited for 2000, another 6,307 part-time jobs (3,365 male/2,942 female) were created. Targets are very tentative, pending the development of workplans for specific firm-level interventions, including the start-up of several new/modified contributing activities. This indicator may have limitations related to the lack of common standards applied by the various implementing partners in their attribution of new jobs to USAID's assistance. The Mission will attempt to confirm and standardize the methods used by the relevant organizations in the coming year.	2003	5,000	

Country/Organization: USAID/Armenia

Objective ID: 111-015

Objective Name: A More Economically and Environmentally Sustainable Energy Sector

Self-Assessment: Not meeting expectations

Summary: USAID's energy sector program in Armenia is primarily linked to the Agency's objective (1.1) private markets (50%), with secondary linkages to the Agency's objective (5.4) to increase the use of environmentally sound energy services (40%), and (5.1) global climate change (10%) objectives. This Strategic Objective (SO) supports the Embassy's environmental MPP goal, based on the USG's national interest in global issues, including the potential economic and environmental impacts of energy management, the desire to promote cross-border cooperation, and the policy objective of facilitating the closure of the Armenia Nuclear Power Plant (ANPP). USG policies in this area influence and are supported by USAID's program to a particularly high degree. The complex matrix of the USG's political and energy security concerns includes Armenia's dependence on and debt to Russian energy entities, the Baku-Tbilisi-Ceyhan oil pipeline, and a conjectured Armenia-Iran gas pipeline.

Energy supply has been a critical issue for Armenia since late 1991, when Azerbaijan shut the main pipeline transporting Russian gas to Armenia. The severe energy crisis of the early 1990's was the primary motivation for the Government of Armenia's controversial decision to re-open the Armenian Nuclear Power Plant in 1995. Although Armenia has significant hydroelectric power (installed capacity and potential), increased output from this source during the energy crisis led to the further decline of the water level in Lake Sevan to ecologically dangerous levels. In addition, existing hydropower facilities, dams, plant and equipment are all in need of substantial rehabilitation to bring them back to normal operating condition. The energy sector remains a source of major subsidies to enterprises and the population in general, primarily as a result of ineffective collection practices and mismanagement. Armenia remains highly dependent on gas from Russia and generation from the ANPP. Although the latter provides roughly 40% of Armenia's generated electricity, it lacks important safety systems required in nuclear reactors operating in the U.S. and western Europe—despite extensive safety improvements made in recent years, with U.S. Department of Energy assistance.

Responding to the emergency situation faced by Armenia following independence in 1991 (e.g., power outages as the norm and limited winter heating options), USAID provided humanitarian-oriented assistance such as the provision of fuel oil, natural gas and spare parts for electricity generation from the thermal power plants, and weatherization of public facilities (e.g., hospitals and schools). Since the inception of this SO in 1999, USAID's energy sector program has been designed to achieve the following Intermediate Results (IRs): 1) increased private sector participation; 2) increased economic and environmental efficiency; and 3) diversified energy sources. Upon completion of this SO in 2004, it is expected that the energy sector in Armenia will be economically and environmentally sustainable, with revenues covering close to 100% of operating costs, significant energy savings through demand-side management, and alternative generation projects identified to allow a reduction in nuclear power as a share of total generation.

In 2000, USAID's technical assistance, policy dialogue with the GOA and coordination with donors were instrumental in keeping the process to privatize Armenia's energy distribution companies open and transparent. As an example, the USG played a key role in ensuring the continuing application of related conditionality in World Bank-GOA agreements. However, a range of technical obstacles and the opposition of vested interests have resulted in at least a yearlong delay in the sale of these assets. Of particular concern is the impact of Armenia's growing energy debt to Russian entities, and indications that payment of the debt may be made through the transfer of generation facilities to Russian ownership, a move which would in turn undermine the longer-term objective of private, market-driven operation of the sector. It is still hoped that the privatization of the distribution companies, which is a condition of the recently negotiated World Bank Structural Adjustment Credit Program, will be completed by the fall of 2001. This in turn will facilitate the development of the wholesale power market infrastructure needed to support the privatization of generation capacity and attraction of much-needed private capital for infrastructure upgrades.

Meanwhile, despite previous gains related to several commercialization and efficiency measures that compared very favorably with experiences throughout the NIS (e.g., cost recovery and collection rates of 59% and 88%, respectively, in 1999), progress stalled in 2000 and further progress can not be expected until privatization moves forward. Therefore, the Mission's self-assessment is that performance under this SO did not meet expectations in 2000.

Notwithstanding, USAID's technical and commodity support in areas such as preparation for future generation company privatization, strengthening the capacity of the independent energy regulatory commission, analysis of alternate sources of energy, and preliminary pilot efforts to improve energy efficiency has generally advanced the process of energy sector restructuring in Armenia.

Key Results: Revenues as a percentage of full cost recovery increased only modestly, from 59% at the end of 1999 to 63% in June 2000, while the Mission's 2000 target was 75%. Likewise, it is estimated that collections from end-users and energy efficiency—as reflected by the amount of energy per unit of GDP—did not improve at all from 1999-2000, while the Mission targeted 7% and 9% improvements, respectively. In each of these areas, USAID's previous assistance had resulted in significant gains through 1999. However, since additional gains are unlikely under the current inefficient and ineffective state-operated energy system, it was to be expected that the failure to privatize distribution assets in 2000 would be reflected in stagnant data for USAID's indicators. Under the assumption that the privatization process will be successfully completed later this year, USAID's annual targets have been adjusted to reflect the delays to date, but the ultimate results expected for the SO by 2004 are still considered attainable.

Performance and Prospects: As outlined above, the fact that the distribution company privatization process was not completed over the course of the year was a major disappointment to USAID's energy sector program. The ultimate failure of the process remains a significant potential risk, which to a large extent is beyond USAID's control. However, USAID can cite substantial progress in laying the groundwork for the eventual private sector operation of Armenia's energy system (IR #1). In direct support of the privatization process, draft Tender Documents—including legal revisions, Tariff Methodology and License and Share Purchase

Agreement—were prepared for the Legal Advisors’ and Tender Committee’s use. In addition, a financial model was developed to support analysis and comparison of the various deal-structuring options. USAID efforts to facilitate both privatization and broader sectoral reforms included: supporting amendments to the Privatization Law, with the distribution companies re-inserted; drafting amendments to the Energy Law to strengthen the Energy Regulatory Commission’s (ERC’s) role and restructure the role of Ministry of Energy (MOE); establishing a steering committee to review, adapt and endorse the proposed Market Structure, Grid Code and Settlements procedures for a wholesale electricity market to function on the basis of a Power Market Members Union (PMMU); producing a revised Least-Cost Generation Plan, to inform sector restructuring, privatization, generation expansion and other planning activities; and developing a draft Hydro Power Law to support the appropriate rehabilitation of hydro-electric facilities and encourage the investments needed to develop new ones.

Although the failure to privatize the distribution companies undermined hopes that collection rates would again increase in 2000 (they stayed virtually unchanged at 88%-90%), USAID made significant progress in laying the groundwork to promote the economic and environmental efficiency of sector entities (IR #2). These accomplishments included: assisting the ERC in developing a two-part tariff methodology to allow economic dispatch; implementation of international accounting standards by all eleven energy sector entities; and installation of nearly 90% of the equipment for the nationwide metering upgrade, start-up of monitoring, and approval of final plans for the data acquisition system. In addition, some pilot efforts to improve energy efficiency were undertaken in 2000, which will be a starting point for USAID’s future work in this area.

Over the last year, follow-on efforts to identify more diversified energy sources (IR #3) were disappointing, in that they led to negative assessments of potential. However, this will allow a sharper focus in the future as USAID supports the development of renewable sources and identification of some key investment targets. The results of work carried out in 1999-2000 included: a) reports on the status and prospects for the rehabilitation and new investment in hydropower; b) hydropower analysis identified potentially serious threats from the possibility of collapse of the Arpa-Sevan tunnel and seismic safety concerns on the Vorotan Cascade; c) based on the initial evaluation of geothermal resources, it was concluded that geothermal energy is unlikely to play a significant role in the country’s overall energy balance; and d) economic analysis concluded that the prospects for using coal for electricity generation in Armenia are modest, although the GOA could consider a subsidy for such development on the grounds of enhancing energy security. In 2000, USAID/Armenia and USAID/Caucasus carried out a project to increase regional energy cooperation in Armenia, Azerbaijan and Georgia through technical-level contacts. Projects identified to be pursued through national programs included re-establishing a mechanism for regional dispatch; information sharing and system regulation; rehabilitation and enhancement of transmission capacity among the countries in the region and their neighbors; and potential joint generation projects.

Possible Adjustments to Plans: USAID energy sector assistance through FY 2003 will be provided largely through two mechanisms now under procurement. The first will focus on completing legal and regulatory reforms in support of increased privatization; further strengthening the ERC; attracting private investment capital to generation assets (on the

assumption of a successful distribution privatization); consolidating the strengthened commercial operations of sector entities to sustain privatization; the development of projects for alternative generation; and increased regional energy cooperation. The second initiative will focus on energy savings through efficiency/conservation measures and demand-side management; legislative and policy reforms to enable energy efficiency and savings; and development of renewable energy projects. Support for renewables and demand reductions will provide alternatives for new generation, thereby facilitating ANPP closure. Significant adjustments to these plans and USAID's performance targets could be required over the next year if the privatization process fails. However, with or without timely privatization, many of the results cited above (e.g., strengthening regulatory functions, introducing efficient technologies, developing alternate energy sources, promoting regional cooperation) remain valid, even if they may be more difficult to achieve and the level of expected impact may be reduced.

Other Donor Programs: USAID's energy sector initiatives are coordinated closely with World Bank programs, which support the rehabilitation and strengthening of the power transmission and distribution infrastructure. The European Union assists the Ministry of Energy in developing energy efficiency policies and legislation, as well as developing plans for generation rehabilitation and expansion. The most critical interactions between USAID and other-donors have been those related to energy sector conditionality for multilateral financing, which has been based largely on USAID technical inputs. USAID, the World Bank and EBRD have presented a unified front in an effort to ensure GOA adherence to the open and transparent process established for the tendering of distribution companies. The World Bank, EBRD, EU, Japan and Germany are making substantial investments in energy sector infrastructure projects. However, it is important to underline the fact that private sector investors represent the only viable source for the large amounts of financing the sector will ultimately need to rehabilitate, renew and expand its capital stock. Various other donors, notably the EU, share the USG's interest in the closure of ANPP.

Principle Contractors and Grantees: Current contractors include PA Consultants (formerly Hagler Bailly), Advanced Engineering Associates International/Resource Management Associates and the National Renewable Energy Laboratory. Partnerships have been established with the U.S. Energy Association and U.S. National Association of Utility Regulatory Commissioners.

Performance Data Tables

Objective Name: A more economically sustainable and environmentally sound energy sector			
Objective ID: 111-015			
Approved: 1999 Country/Organization: USAID/Armenia			
Result Name: A more economically sustainable and environmentally sound energy sector			
Indicator: Sector Revenues			
Disaggregated By: NA			
Unit Of Measure: percentage of full cost recovery	Year	Planned	Actual
	1996	Baseline	33.3
Source: Contractor analysis	1997	N/A	38.8
	1998	N/A	47.4
Indicator/Description: Sector collected revenues approaching a level adequate to recover full depreciation on revalued assets and to provide for adequate maintenance on property, plant and equipment. Calculation is based on estimates of (a) actual tariff as a percentage of full cost recovery; (b) the percentage of billed energy collected; and (c) the percentage of commercial losses.	1999	61	58.8
	2000	75	63.1 (through June)
	2001	75	
	2002	80	
Comments: Data through June 2000 show a slight increase over last year. However, it is anticipated that end-of-year data will probably decline to a level very close to that achieved in 1999. This lack of progress towards sustainability of the sector is largely attributable to the failure to privatize the electricity distribution companies in 2000. Because of the delays in the process, future targets have been adjusted. However, the Mission believes that, assuming the successful privatization of distribution companies followed by the privatization of generation facilities and other commercialization measures, cost recovery can still reach 97% by the end of the Strategy period in 2004. Progress against this indicator is affected by the full range of USAID's restructuring and commercialization efforts, although direct attribution to individual interventions may not be possible.	2003	90	

Objective Name: A more economically sustainable and environmentally sound energy sector			
Objective ID: 111-015			
Approved: 1999 Country/Organization: USAID/Armenia			
Result Name: A more economically sustainable and environmentally sound energy sector			
Indicator: Energy consumption per unit of output			
Disaggregated By: N/A			
Unit Of Measure: Kilogram of energy use (oil equivalent) per unit of GDP Source: Contractor Analysis Indicator/Description: Electricity and natural gas consumption (except for gas delivered to the Thermal Power Plants) converted to standard unit of measure per unit of GDP. Comments: Lack of progress against this indicator is consistent with USAID's assessment of the impact of delays in privatizing the distribution network. Assuming this process is completed in 2001, and given the planned start-up of a new USAID program to promote demand-side management and efficiency, the Mission still expects to achieve significant improvements against this indicator through the Strategy period.	Year	Planned	Actual
	1995	Baseline	0.69
	1996	N/A	0.66
	1997	N/A	0.63
	1998	N/A	0.64
	1999	0.55	0.57
	2000	0.53	0.57 (through June)
	2001	0.51	
	2002	0.49	
	2003	0.48	

Objective Name: A more economically sustainable and environmentally sound energy sector			
Objective ID: 111-015			
Approved: 1999 Country/Organization: USAID/Armenia			
Result Name: Increased private investment in energy sector			
Indicator: private ownership of electric utility enterprises (distribution)			
Disaggregated By: NA			
Unit Of Measure: percentage	Year	Planned	Actual
Source: Contractor Analysis	1998	Baseline	0
	1999	0	0
Indicator/Description: Average % of private ownership of distribution (weighted by % of sales for each distribution enterprise).	2000	80	0
	2001	80	
Comments: 80% will be considered complete privatization, as the EBRD is scheduled to take a 20% ownership stake. Assuming completion of the distribution companies' privatization in 2001, progress towards privatization of generation companies will be reported beginning in 2002. Preliminary targets are for 20% of generation assets to be privatized by 2002 and 30% by 2003. USAID's technical analysis and policy dialogue with the GOA and other donors has been central to the initiation and survival of the distribution process.	2002		
	2003		

Objective Name: A more economically sustainable and environmentally sound energy sector			
Objective ID: 111-015			
Approved: 1999 Country/Organization: USAID/Armenia			
Result Name: Increased economic and environmental efficiency			
Indicator: Collections from end-users paid to distribution companies			
Disaggregated By: N/A			
Unit Of Measure: percentage of bills collected	Year	Planned	Actual
Source: Contractor Analysis	1996	Baseline	64.6
	1997	N/A	62
Indicator/Description: Total number of new positions (male/female split) directly attributable to USAID credit or technical assistance.	1998	N/A	87
	1999	90	88
Comments: No progress due to failure to privatize distribution companies. The Mission has adjusted its future annual targets, but believes that the target for the end of the Strategy period can still be achieved. In addition to its privatization efforts, USAID's ongoing support for commercialization and new emphasis on energy efficiency will contribute to progress against this indicator.	2000	95	90 (through June)
	2001	88	
	2002	95	
	2003	98	

Country/Organization: USAID/Armenia

Objective ID: 111-016

Objective Name: More Sustainable Water Management for Enhanced Environmental Quality

Self-Assessment: Meeting Expectations (This program began in November 2000.)

Summary: USAID's limited-scope water resources program is linked to the Agency's objective (5.5) to increase the sustainable management of natural resources. This Special Objective (SpO) supports the Embassy's environmental MPP goal, which is based on the USG's national interest in addressing global issues and promoting economic prosperity. Specifically, given the water-poor environment in Armenia and neighboring countries, USAID's efforts to improve water management systems will promote regional cooperation, have a positive health impact, and facilitate national economic growth.

Armenia's water sector is characterized by the deteriorated condition of its drinking water and wastewater infrastructure, over-exploitation of Lake Sevan, degraded irrigation systems, pollution of potable water sources, lack of rational allocation of water resources, and inadequate management of transboundary waters. Losses in Armenia's water networks are estimated to run at 45%-55%. In Yerevan, 35% of samples have human fecal coliform and 50% have total coliform, chlorine levels are not controlled and 50% of the wastewater flows directly into the Hrazdan River. Many areas outside the capital have no treatment facilities. Lake Sevan, with a catchment area that comprises one-sixth of Armenia's total territory, has experienced a reduction in water supply of approximately 40% in the last 50 years, due to its unregulated use for hydropower and irrigation. This decline in water level and the coincident increase of pollutants reaching Lake Sevan threaten its hydrological and ecological balance, with a potentially catastrophic impact on economic activity dependent on the Lake's resources (e.g., tourism, fishing, irrigation and hydropower). The failure of irrigation systems, especially in the Ararat Valley, has affected agricultural efficiency and contributed to the increasing incidence of malaria and pesticide contamination. Shallow groundwater and spring waters, while generally of high quality, are vulnerable to industrial, agricultural and domestic pollution. The absence of effective national/regional systems to monitor and improve water quality and optimize water flows threatens the ecology and health of downstream communities and inhibits efforts to promote economic and political cooperation in the region.

This Special Objective was developed and approved in 2000 to address some of these severe consequences of the environmental degradation in Armenia and complement USAID's efforts in other areas that are impacted by water issues (e.g., energy, health, tourism). It includes a package of discrete interventions focused on certain national-level systems and the testing of local-level approaches, with the improved monitoring of water quality and quantity as the unifying theme. Specifically, USAID will promote sustainable water management through the achievement of the following Intermediate Results (IRs): 1) national policy and institutional framework for water management improved; 2) water quality/quantity monitoring systems rehabilitated; and 3) local capacity increased to develop and implement market-based solutions.

Key Results: Over the course of this three-year Special Objective, USAID expects to help establish and/or strengthen key water sector institutions, improve water quantity and quality indicators at pilot intervention sites, promote legal and policy reforms, and increase the amount and quality of water data available to water sector managers/planners. Baseline data and targets will be developed by the summer 2001. Therefore, no performance data tables are included in this section of the R4.

Performance and Prospects: This program began in November 2000, with the remainder of the year dedicated to initiating operations and work planning, as well as establishing relationships with relevant GOA and NGO counterparts and other-donor organizations. Integrated water management has been the subject of extensive and intensive work in Armenia over the past several years. Primarily under the auspices of World Bank, the National Environmental Action Plan (NEAP), the Lake Sevan Action Plan, and the Integrated Water Resources Management Project (IWRMP) were developed. Given the World Bank's shift to areas such as irrigation rehabilitation and municipal water supply systems, USAID has a significant opportunity to provide the institutional support needed to increase the effectiveness of integrated water management in Armenia. Due to current uncertainty in the GOA about which one of the existing governmental bodies should play the leading role in coordinating water management issues, program implementation may face several initial obstacles. While USAID eventually plans to provide support related to a full range of policy issues—pending a designation of the central coordinating body/bodies on water management issues, in the interim the program will focus more on upgrading technical quantity and quality measurement infrastructure and supporting local initiatives

Possible Adjustments to Plans: None.

Other Donor Programs: The World Bank financed the development of the plans cited above and has made loans for irrigation rehabilitation, municipal water system rehabilitation in Yerevan, and dam safety projects. The EU has supported transboundary water management (the Kura River) and is considering options to support wastewater management. Germany's assistance in the sector is expected to focus on water distribution systems. Several other bilateral donors (e.g., the Netherlands, Norway and France) are looking at small-scale water infrastructure projects. The World Bank and UNDP have financed such projects as part of their assistance to the earthquake zone. By improving the policy environment and mechanisms for water quality/quantity monitoring, as well as piloting innovative technologies and management approaches to water management, the Mission expects to fill a gap in other-donor assistance to the sector and influence future investments by other donors.

Principle Contractors and Grantees: USAID's National Water Resources Management Program is implemented by the Associates in Rural Development (ARD).

Country: USAID/Armenia

Objective Name: More Transparent, Accountable and Responsive Democratic Governance

Objective Number: 111-021

Self-Assessment: Not Meeting Expectations

Summary: This Strategic Objective is linked primarily to the following agency objectives: 2.1) rule of law and respect for human rights of women as well as men strengthened – 20%; 2.2) credible and competitive political processes encouraged – 10%; 2.3) development of politically active civil society promoted – 40%; and 2.4) more transparent and accountable government institutions encouraged – 30%. The strategic objective is also linked to the U.S. national interest in Democracy and the MPP goal of Democracy and Human Rights.

Following independence from the Soviet Union, initial public enthusiasm for economic reform and free-market democracy was high. Armenia's checkered post-independence election history combined with continuing economic stagnation, declining living standards, crumbling public services and endemic corruption, however, have undermined the public's confidence in government and engendered widespread cynicism regarding the democratic process. This Strategic Objective focuses on developing a more effective and transparent governance system that allows and encourages citizens to hold their government accountable for its actions. USAID plans to achieve this by supporting programs related to the following Intermediate Results: 1) increased citizen participation in policy development and oversight of government; 2) the availability of multiple sources of information; 3) more responsive and effective local government; 4) more responsive and effective parliament; and 5) a transparent, dependable and effective legal system. The ultimate beneficiaries of this program are the citizens of Armenia who will have greater knowledge of how to act upon their rights and responsibilities in a democracy, and have access to stronger democratic institutions. Direct beneficiaries of this program include independent media outlets, the local NGO community, local governments, legal professionals and professional associations, the judiciary and the National Assembly.

Following the assassination of top officials in October 1999, including the Prime Minister and the Speaker of the Parliament, constant political maneuverings detracted from reform efforts. While the assassinations were a political and psychological shock to Armenia and its people, it was a significant policy-level achievement that Armenia adhered to democratic principles and the constitutional process despite the instability and uncertainty that characterized the period from October 1999 well into 2000. Nonetheless, the crisis led to frequent turnover in Ministers, the merger and splitting of a number of key Ministries, and instability within the National Assembly, all of which diverted attention from the legislative agenda that needed to be advanced in order to improve democratic governance. In particular, the Mission expected the passage of a constitutional amendment that would increase the judiciary's independence, an amendment to the law on local self-governing bodies that would distinguish between cities and rural villages, and progress towards an Administrative Procedures Code that would provide clear and consistent procedures for government processes such as providing citizens access to information and allowing for appeals. Additionally, overall reforms in the legal sector have been very slow, with

little progress towards improving the transparency, effectiveness or dependability of the judiciary.

Although the expected constitutional amendment and legislative changes were not completed in 2000, the GOA did make significant progress in drafting a package of Constitutional amendments for public and expert review. This package of amendments, if passed, will more fully address the Mission's objectives than the legislative changes that had been expected during the past year. Furthermore, based on an internal review of progress toward achievement of this SO and an assessment of the current political environment of the country, the Mission initiated several programmatic adjustments in 2000, including the start-up of new activities to increase grassroots political and civic participation and the development of a new program to strengthen the National Assembly. Because the new civil society activities began only in the fall of 2000 and the parliamentary strengthening program has not yet been procured, it is too early to determine if these adjustments will ensure improved performance.

Key Results: The results of the USAID/Armenia governance index (a score of 1 out of 64) reflect the lack of progress made in the passage of critical legislation in the past year. This index measures the status and quality of legislation by looking at the adoption, supporting regulations, and implementation of legislation in six critical areas: civil service, public disclosure of assets for public officials, the institution of the ombudsman, administrative procedures, freedom of information and government procurement. In 2000, only one of the relevant laws was passed (in the area of government procurement), but even in this case the regulations necessary for full implementation are not yet in place. Public confidence in government has also not demonstrated improvements. The citizen participation survey conducted at the end of 2000 showed declines in citizen confidence in most governing institutions, except in the case of local government. The NGO sector's rating on the NGO sustainability index remained unchanged from the previous year, which reflects that the sector is still developing and remains financially and organizationally weak. Although there have been some examples of NGOs successfully advocating policy, legislative and procedural changes to the government, these incidences are not the norm. Progress in the legal sector significantly lagged behind expectations, with only marginal improvements in citizens' access to the court system and in the professional standards and qualifications of advocates and judges. Finally, the Mission had expected passage of a mandatory judicial code of ethics, but this expectation was revised during the year because of a lack of local understanding of and support for such a self-regulating process.

Performance and Prospects: Because many activities that support IR #1 - increased citizen participation in policy development and oversight of government - only began in 2000, USAID's expectations for progress in this IR were moderate. A new NGO strengthening program began in the last half of the year, building on prior assistance in this sector. The frequency of general citizen participation activities increased, with USAID supporting 20 town hall meetings a month. These meetings resulted in the creation of community action committees, which worked to solve over 50 community problems in 2000. Political party programs were refocused to target party activists at the local, rather than the national, level. In addition to supporting greater adult awareness and activism, USAID also focused on building the skills of the next generation. Based on the GOA's action to make civic education a mandatory part of the secondary school curriculum, USAID is supporting the roll-out of the curriculum in the 2001-2002 school year,

through teacher training and curriculum development. In addition, through a local NGO, USAID supported the organization of 106 mock elections in secondary schools across the country.

Last year, the Mission identified declining levels of women's political leadership and participation as an area of concern. As a result, the Mission's new programs include specific activities to encourage women's participation. The Mission's efforts in this area are informed by an advisory group comprising prominent Armenian women.

The Mission has met with moderate success under IR #2: availability of multiple sources of information and analysis. Although dramatic changes in the quality of print journalism are constrained by the lack of financial independence, trends in this area appear positive. In one successful example, a local independent newspaper increased sales by 10% after redesigning their layout and improving story content. Recent USAID survey results confirm that more people are watching independent television and reading independent newspapers. In 2000, 28.3% of survey respondents claimed to rely on information from independent television, versus 17.0% in 1999. In addition, 6.3% reported relying on independent newspapers, versus 2.5% in 1999¹. Viewership surveys in 2001 are expected to provide more precise data on reliance on independent broadcast media for news and analyses. In late 2000, the National Assembly passed a new broadcast law, which contained cumbersome administrative requirements for independent television and radio stations as well as a problematic framework for operation of public television. However, the law was declared unconstitutional and sent it back to the National Assembly for redrafting, presenting an opportunity to correct some of these flaws.

A local government program aimed at achieving IR #3 – more responsive and effective local government – began in January 2000. Under this program, USAID has supported the development of legislative amendments to the Law on Local Self-Government and the Equalization Law, and made recommendations to restructure Yerevan's administration. A number of legislative changes are dependent on constitutional amendments, which will be considered when a Constitutional referendum is called later this year. Reform of the Local Government Law is part of Council of Europe (COE) accession requirements, and is scheduled to take place in 2001. To increase citizen access to information, USAID has made preparations to open information centers in the nine cities targeted for intensive assistance under this program. In addition, USAID has collaborated with the local government Finance Officers Association to develop software that will allow access to budget information through these centers. Given the importance of increasing local revenues, USAID has helped to develop programs to assist in the local collection and management of land and property taxes.

With the support and interest of the leadership of the National Assembly, USAID is finalizing the scope of work for an activity to achieve IR #4 – more effective and responsive parliament, with implementation scheduled to begin in spring 2001. Work with the National Assembly will focus on developing mechanisms to increase citizen access to the legislative process, encouraging greater interaction with constituents and awareness of citizen issues, and strengthening the internal legislative development and review process, including the legislature's role in reviewing and approving the annual national budget.

¹ The 2000 survey broke independent television into two categories "private" and "local", whereas 1999 just used "local". Therefore a comparison between 1999 and 2000 may not be completely reliable.

Progress with the legal sector has been particularly slow and has not met Mission expectations for IR #5 – more transparent, dependable, and effective legal system. For example, the expected Constitutional referendum, which would provide greater judicial independence, was delayed; and little progress was made in the development of the administrative procedures code. However, in January 2001, Armenia acceded to the Council of Europe. Within the coming year, Armenia must amend or pass specific legislation to meet COE requirements, including a number of laws that USAID deems critical to achieving both this IR and the overall strategic objective. COE requirements include legislation related to NGOs, local government law, the electoral code, the criminal code, the civil service, creation of an ombudsman, political parties, the media, alternative military service and the transfer of prisons to the Ministry of Justice. USAID will provide assistance to the joint GOA and National Assembly working group that is coordinating compliance with COE requirements. Many of the laws associated with COE accession will require passage of Constitutional amendments. It is expected that the Constitutional amendment to provide for a more independent judiciary will be included among these.

Only minor progress has been made in the other activities that make up this IR. Over the past several years, USAID has worked with the Yerevan State Law School to increase faculty competence both in new areas of law (e.g. commercial law) and in new interactive teaching methods. Although substantive courses have been developed and incorporated into the curriculum, there has been less progress in adopting new teaching methodologies. In the last year, USAID changed its approach in this area, primarily providing support for locally based faculty and course material development, rather than sending faculty to the U.S. The Mission will continue to pursue improvements in the state law school, but will consider working with private law schools as well. Given the effect of the continued delay in EU/TACIS support for the judicial training center (JTC) on its ability to provide comprehensive judicial training, USAID is moving forward with assistance to the JTC on curriculum and faculty development.

Possible Adjustments to Plans: In March 2001, the Mission will review progress in legal sector activities with support from USAID/W. This assessment may result in modifications in approach or focus in this sector. The Mission also expects to follow-up on the citizen participation survey results in order to increase its understanding of the reasons behind the declines in citizen confidence. To complement other programs that started in late 2000, the Mission may also begin a grassroots level anti-corruption program, to increase public awareness of the impacts of corruption and ways in which it can be addressed at a local level.

Other Donor Programs: The OSCE is providing assistance for meeting COE accession requirements and for election administration reforms and coordinates the donors' anti-corruption group. USAID collaborates with DFID, which is supporting civil service reform. USAID also works closely with the World Bank on its new judicial reform program; with EU/TACIS on its pledged support for the JTC and new program with the National Assembly; and with OSI on its support for clinical legal education.

Major Contractors and Grantees: Current USAID funded activities are implemented by the following contractors and grantees: Internews, the National Democratic Institute, the International Foundation for Electoral Systems, World Learning, Junior Achievement

International, the International Research and Exchanges Board, the Urban Institute, the American Bar Association's Central and East European Law Initiative and Chemonics International.

Performance Data Tables

Objective Name: More Transparent, Accountable and Responsive Democratic Governance			
Objective ID: 111-0210			
Approved: 1999 Country/Organization: USAID/Armenia			
Result Name: More Transparent, Accountable and Responsive Democratic Governance			
Indicator: Governance Index			
Disaggregated By: NA			
<p>Unit Of Measure: Scale of 0-64, with 0 = no relevant laws yet enacted and 64 = all laws are enacted, meet international standards, and are being implemented effectively.</p> <p>Source: USAID/Armenia-led panel of experts</p> <p>Indicator/Description: Adoption and implementation of laws and policies needed for a democratic governance framework, including law on civil service, public disclosure of assets for public officials, ombudsman, freedom of information act, administrative procedures act, and law on procurement.</p> <p>Comments: In 2000, because only one of the relevant laws was passed (in the area of government procurement), a maximum possible score of 10.67 was possible. However, although the law, as passed, meets most international standards, the regulations necessary for full implementation are not yet in place. Therefore, this year's score is a 1. In the coming two years, additional laws are expected to pass which will meet international standards, but regulations and full implementation will lag behind. Ultimately a score of 64 indicates a full set of legislation necessary for democratic governance is in place, meets international standards and has been fully implemented.</p> <p>USAID is providing support for development and implementation of much of the legislation that makes up this index. Because Council of Europe accession requires passage of much of this legislation, the Venice Commission is also providing support. The British DFID is providing assistance to the GOA for the civil service reforms. In the case of the procurement law passed in 2000, USAID supported the provision of commentary to the draft law and is now providing assistance in the development of standards for implementation of the law.</p>	Year	Planned	Actual
	2000	Baseline	1
	2001	5	
	2002	9	
	2003	18	

Objective Name: More Transparent, Accountable and Responsive Democratic Governance			
Objective ID: 111-0210			
Approved: 1999 Country/Organization: USAID/Armenia			
Result Name: More responsive and effective local government			
Indicator: Citizens who feel that local government is hearing and acting upon their concerns			
Disaggregated By: Gender			
Unit Of Measure: Percentage	Year	Planned	Actual
Source: Urban Institute survey	1999	Baseline	26.5 (29.3M, 24.0F)
Indicator/Description: Percentage of respondents who strongly agree or agree to the following statement: The local self-governing body is very interested in and pays attention to what people like me think.	2000	28	32.9
	2001	32	
	2002	35	
	2003	38	
Comments: Baseline in 1999 is taken from a USAID nation-wide survey. Data for 2000 onward will be taken from the Urban Institute survey in the nine pilot cities in which the USAID funded local government program activities are concentrated. Both surveys ask identical questions. In 2000, the data from both surveys is similar with the nationwide survey showing 29.7% of respondents agreeing with the statement. A comparison between the national survey and the survey in the pilot cities may enable the Mission to determine if the change in public opinion is attributable to the USAID program.			

Objective Name: More Transparent, Accountable and Responsive Democratic Governance			
Objective ID: 111-0210			
Approved: 1999 Country/Organization: USAID/Armenia			
Result Name: More developed and broad-based NGOs			
Indicator: Overall NGO Sustainability			
Disaggregated By: NA			
<p>Unit Of Measure: Scale of 1 to 7 (1 being most advanced and 7 least advanced)</p> <hr/> <p>Source: Report from a USAID/Armenia-led panel of experts</p> <hr/> <p>Indicator/Description: Overall score on the USAID NGO sustainability index which measures 7 aspects of NGO sustainability: legal environment, organizational capacity, financial viability, advocacy, public image, service provision and infrastructure.</p> <hr/> <p>Comments: In 2000 NGOs are still financially and organizationally weak. NGOs with common goals are still unwilling to work together, decreasing the effectiveness of their advocacy efforts. The Government, while not opposed to NGOs, is not especially supportive and does not see the benefits of working with them. Although the laws are not restrictive of NGO activities, there are still some clarifications needed as to registration procedures and taxation requirements. Armenia's score of 5.0 ranks it as average amongst the countries of Eurasia (includes the Southern Caucasus, Central Asia, Russia, Belarus, Moldova and Ukraine), but behind the Eastern European countries and the Balkans.</p> <p>Although it is difficult to attribute progress in the general sector directly to USAID, USAID does provide the most comprehensive package of assistance to NGOs of all donors in the country. Last year, progress in the sector was minimal as USAID changed its assistance mechanism and targeted assistance in new directions based on a 1999 internal assessment of the sector.</p>	Year	Planned	Actual
	1998	Baseline	5.5
	1999	5.0	5.0
	2000	5.0	5.0
	2001	4.0	
	2002	4.0	
	2003	3.0	

Objective Name: More Transparent, Accountable and Responsive Democratic Governance			
Objective ID: 111-0210			
Approved: 1999 Country/Organization: USAID/Armenia			
Result Name: Strengthened independent media			
Indicator: Overall effectiveness of independent broadcast media			
Disaggregated By: NA			
Unit Of Measure: Scale of 0-100 (100, being most advanced and 0 least advanced)	Year	Planned	Actual
	1999	Baseline	52 (adjusted from 44)
Source: Internews annual assessment report	2000	57	57
Indicator/Description: Average score on Internews' Media Efficiency Index which measures 3 aspects of effective media: news quality and integrity, quantity and availability of independent media, and commercial viability of medial outlets. The score is an average for the industry compiled from the average score on each of the three index components. Note, the index has changed since last year to eliminate one of the components – objectivity and variety of information sources that support media. This component was primarily measuring use of the Internet by media outlets which was not considered to be a significant enough factor of media efficiency to be averaged with the other three components. 1999 scores and all targets have been adjusted accordingly.	2001	61	
	2002	67	
	2003	NA	
Comments: This year's score demonstrates a slight improvement over last year, in all three areas which make up the assessment – news quality, news quantity, and financial sustainability. Improvements included the use of anchors for newcasts, guest speakers to present differing opinions, improved camera technique, more news programming, and the addition of dedicated sales and advertising staff. Improvements can be attributed to USAID assistance, which funded a wide variety of training and technical assistance including: TV journalism, production techniques, camera operation, TV news management, and tax legislation for accountants.			

Objective Name: More Transparent, Accountable and Responsive Democratic Governance			
Objective ID: 111-0210			
Approved: 1999 Country/Organization: USAID/Armenia			
Result Name: Legal professionals are held to high ethical and professional standards			
Indicator: Judicial code of ethics adopted			
Disaggregated By: NA			
Unit Of Measure: Two step yes/no: voluntary code adopted (V) and mandatory code adopted (M)	Year	Planned	Actual
	1998	Baseline	No (V), No (M)
Source: Chemonics	1999	No (V), No (M)	Yes (V), No (M)
	2000	Yes (V), Yes (M)	Yes (V), No (M)
Indicator/Description: A code of professional ethics requiring impartiality and independence applies to judges.	2001	Yes (V), Yes (M)	
	2002	Completed	
Comments: In 1999, with assistance funded by USAID the judges association drafted and passed a voluntary code of ethics for its members. They submitted this code to the Council of Court Chairs (CCC) who have the authority to turn the code into a mandatory and enforceable code of ethics for all judges in the country. The CCC has requested additional assistance from USAID to refine the code. In 2001, the CCC expects to make this new ethics code mandatory.			

Country: USAID/Armenia

Objective Name: Mitigation of the Adverse Social Impacts of the Transition

Objective Number: 111-034

Self-Assessment: Meeting Expectations

Summary: This Strategic Objective is linked primarily to the following agency objectives: 1.3) access to economic opportunity for the rural and urban poor expanded and made more equitable - 20%; 4.1) unintended and mistimed pregnancies reduced – 20%; 4.2) infant and child health and nutrition improved and infant and child mortality reduced – 20%; 4.3 deaths, nutrition insecurity and adverse health outcomes to women as a result of pregnancy and childbirth reduced – 10%; and 6.1) urgent needs in times of crises met – 30%. The strategic objective is also linked to the U.S. national interest in Economic Prosperity and the MPP goal of Economic Development.

The collapse of the Soviet system and Armenia's subsequent economic transition have had severe negative consequences for the majority of the population. With an estimated 55% of the population below the poverty line, neither the GOA nor the private sector can provide adequate protection of the most vulnerable population from social hardship and declining health status. The purpose of this Strategic Objective is to mitigate the adverse effects of the transition to a market economy through efforts to strengthen and make sustainable key aspects of the social safety net and health care systems, while providing urgently needed services to the most vulnerable in selected regions of the country. USAID is tracking progress through the achievement of the following Intermediate Results (IRs): 1) legal and institutional foundations in place for sustainable social and health insurance systems; 2) improved mobilization, allocation, and use of social assistance and health care resources; 3) nutrition, shelter and primary health care services provided; and 4) short-term employment available in selected regions. Through efforts to improve the efficiency of the health care system and the quality of services provided, as well as through macro-level social safety net reforms (e.g. covering pensions, unemployment benefits, and health insurance), USAID's assistance will benefit all Armenians. Improvements in the targeting and delivery of GOA-funded social welfare payments and free or subsidized primary health care services will particularly benefit the most vulnerable population, as will programs to test new non-governmental mechanisms for meeting basic health, nutrition and shelter needs of this group.

The Mission's assessment of performance in the past year is that this strategic objective is meeting expectations. New mechanisms were procured, and the last part of the year was spent on initial program start-up and organization, as planned. A limited number of health activities were in place prior to 2000. One of these, the nationwide reproductive health information campaign, exceeded expectations with government-sponsored women's wellness centers marking an 85% increase in attendance immediately following the mass media campaign.

Key Results: Because the bulk of the activities designed to promote institutional reform and improve service delivery under this SO only began late last year, it is too early to report progress toward the achievement of any key results. A complete results framework is now in place, and

the Mission expects to report on the following indicators next year: 1) decreased financial barriers to accessing health care; 2) personified tracking system in place to support social insurance system improvements; 3) key laws and reforms enacted and implemented (to promote more effective social assistance and primary health care); and 4) number of vulnerable receiving USAID-funded social and health care assistance.

Although measurable progress against these indicators was not expected to date, in 2000 USAID supported initial analyses and training for GOA staff. These staff members will be involved in the creation of the personified information system that will be used to track contributions to social insurance mechanisms, allow better projections of system needs, and cross-reference the receipt of benefits.

Performance and Prospects: As indicated above, because this is a relatively new strategic objective, significant results over the past year were not expected. Under IR #1, foundations in place for sustainable social and health insurance systems, USAID completed a number of initial analyses, covering the pension system, privacy of information, the development of actuarial capacity, personified reporting requirements, GOA information system needs, and a framework law for social insurance provision. Familiarization visits to other countries in the region with experience in social insurance and health care reform as well as personified reporting systems were instrumental in preparing GOA staff for moving ahead in these areas.

Activities under IR #2, improved mobilization, allocation and use of social assistance and health care resources, also began late in the reporting period, and appear to be on track. To date, USAID has supported the transfer of the family benefit database to the Ministry of Social Security, and has completed preliminary legislative analyses of health care provision, social benefit appeals and targeting, and payments for communal services. USAID also provided initial training for regional social security center managers, and produced a draft of an office procedures manual for their use to increase outreach and staff professionalism. As the first steps in delineating potential public and private sector roles in the provision of services and information, USAID has identified existing local NGOs with experience in these areas and conducted a preliminary analysis of the legal framework for health and social service provision.

IR #3 – nutrition, shelter and primary health care services provided – is also primarily a new area for the Mission, with the main activities to achieve it being procured in the last quarter of FY 2000. With new implementing organizations now in place, the initial groundwork has been completed to allow critical nutrition and health service provision to the vulnerable to begin in early 2001, using a number of innovative models. USAID-supported, family medical practices will begin providing services in selected sites by the middle of the year.

To address women's declining health status and higher rates of maternal mortality, USAID has supported several programs designed to improve reproductive health. The nationwide reproductive health information campaign, which was completed at the end of 2000, generated some controversy, but ultimately achieved the desired results. Following the campaign, there was an 85% increase in attendance of new clients at sampled GOA-sponsored family planning cabinets (now renamed as women's wellness centers), 75% of survey respondents reported exposure to the campaign materials, and the sampled cabinets reported a 5% increase in requests

for modern contraceptives. The Mission also supported the GOA in efforts to develop an HIV/AIDS action plan. Through primary health care partnerships in selected sites, the Mission supported the development of treatment protocols, the first-ever primary care health fair in Armenia, and increased breast cancer screening. Results from the recent DHS and an internal evaluation of follow-on reproductive health activities planned for March 2001 will help the Mission better target its activities in these areas in the future.

The activities that lead to the achievement of IR #4 – short-term employment available in selected regions – were procured in the last quarter of FY 2000. Since that time, implementing organizations have completed their planning phase and will begin on-the-ground work in early spring.

Possible Adjustments to Plans: Because the DHS and other recent surveys showed strong regional variations in health and nutrition indicators, the Mission will review these results to determine whether any adjustments to ongoing programs are needed. This review will focus particularly on next steps in the areas of reproductive health, HIV/AIDS awareness, nutrition assistance and health partnerships. To increase immunization security, the Mission plans to provide partial funding for the creation of an endowment, managed by an Armenian-American organization.

Other Donor Programs: The World Bank is supporting programs for social infrastructure rehabilitation, and general health care and social sector reform, while the Dutch are focusing on health financing. The OSCE is involved in changes to the civil register, which will complement USAID's work on the personified identification system. UNICEF and UNFPA are supporting aspects of primary health care provision, and WHO is focusing on pharmaceutical reform and malaria prevention.

Major Contractors and Grantees: PADCO, United Methodist Committee on Relief (UMCOR), Catholic Relief Services (CRS), the Armenian Assembly of America (AAA) and Save the Children (SC) implement the Mission's comprehensive Social Transition Program. The American International Health Alliance (AIHA) is implementing the Mission's health care partnerships activity, supported by equipment provided through Carelift. SC, ADRA and CARE International are implementing activities to improve reproductive health information and services. USAID supports UNICEF's iodine deficiency disorder activities.

Performance Data Tables

Objective Name: Mitigation of the Adverse Social Impacts of the Transition			
Objective ID: 111-0340			
Approved: 2000 Country/Organization: USAID/Armenia			
Result Name: Mitigation of the Adverse Social Impacts of the Transition			
Indicator: Decreased financial barriers to accessing health care			
Disaggregated By: NA (all respondents are women of reproductive age)			
Unit Of Measure: Percentage of respondents	Year	Planned	Actual
	2000	Baseline	83%
Source: Demographic and Health Survey (DHS) and PADCO survey	2001	72% *	
	2002	61% *	
Indicator/Description: Percentage of respondents that reported having a medical problem within the last year, but did not visit a medical professional for the last such problem because of a lack of money.	2003	50% *	
Comments: The Mission originally intended to receive this information from a GOA household survey; however, this information is no longer included in the GOA survey. Instead, the DHS conducted in 2000 provided baseline information. In 2004 the Mission expects to conduct a second DHS to track program performance and health improvements in Armenia since 2000. * PADCO will be conducting a smaller scale survey that will ask identical questions to the DHS. Although the PADCO survey is not as comprehensive as the DHS, it should demonstrate a general trend. Progress at the SO level is difficult to attribute directly to USAID's programs. There are many barriers to accessing health, the general economic situation of the country as well as a system of informal payments for services that are officially free of charge. However, USAID's programs are focused on making health care more affordable and accessible for all, and in time, should demonstrate increased access to health care regardless of people's personal financial circumstances.			

Objective Name: Mitigation of the Adverse Social Impacts of the Transition			
Objective ID: 111-0340			
Approved: 1999 Country/Organization: USAID/Armenia			
Result Name: Foundations in place for sustainable social and health insurance systems			
Indicator: Development and implementation of a personified tracking system of benefits			
Disaggregated By: Not applicable			
Unit Of Measure: 3 step process	Year	Planned	Actual
Source: PADCO expert assessment	2000	Baseline	Step 0
Indicator/Description: Step 0 – the system has been designed but no progress in implementation. Step 1 – Software is developed and plan is in place for implementation which ensures data privacy and protection. Step 2 – prototype system developed for enterprises, have begun assigning numbers to working people, GOA managers trained in system use. Step 3 – System implemented nationwide to cover all working people, all working people have been assigned a number, all enterprises are reporting on a personified basis, and the database is in place in the social insurance fund.	2001	Step 1	
	2002	Step 2	
	2003	Step3	
Comments:			

Objective Name: Mitigation of the Adverse Social Impacts of the Transition			
Objective ID: 111-0340			
Approved: 1999 Country/Organization: USAID/Armenia			
Result Name: Legislative and policy reforms enacted and implemented which promote more effective social assistance and primary health care			
Indicator: Key laws and reforms enacted and implemented			
Disaggregated By: Not applicable			
Unit Of Measure: Scale of 0 to 56 Source: Padco expert assessment Indicator/Description: This indicator will measure progress on the development and passage of 7 key laws and decrees required for more effective delivery of primary health care and social assistance. Progress is measured on a scale of 0 to 56. The legislative/policy process has been divided into 8 steps. Each step receives a score for each of the 7 laws or decrees. The scores range from 1 – work began on a concept paper for the law or decree to 8 – demonstration of implementation of the law or decree. Higher scores indicate a greater quantity of legislation moving through the system as well as greater progress toward enactment and implementation. A score of 56 indicates that all required legislation has been enacted and implemented. Comments: The seven areas for legislative action include: reforms in the legal basis for social assistance, establishment of a poverty level and targeted assistance, improvements in the basic benefits package, reforms in the basis for primary health care provision, improvements in health care budgeting and provider payment systems, changes in licensing, standard setting and certification of health care providers, and improvements in the management of the drug supply.	Year	Planned	Actual
	2000	Baseline	14
	2001	23	
	2002	36	
	2003	53	

Objective Name: Mitigation of the Adverse Social Impacts of the Transition			
Objective ID: 111-0340			
Approved: 1999 Country/Organization: USAID/Armenia			
Result Name: Nutrition, shelter and primary health care services provided to the vulnerable in selected regions			
Indicator: Number of vulnerable receiving USAID- funded nutrition, shelter, and primary health care information and services			
Disaggregated By: gender			
Unit Of Measure: Absolute number	Year	Planned	Actual
	2000	Baseline	0
Source: Reports from implementing agencies – UMCOR and CRS	2001	380,920	
	2002	223,390	
Indicator/Description: Number of people provided with USAID-funded social and health care assistance.	2003	74,190	
<p>Comments: The programs are planned to provide equal assistance (50% each) to male and female beneficiaries. Assistance is counted on a per person basis. In cases where assistance is provided on a household basis, households are assumed to contain 4 members and will be disaggregated based on whether the household is male or female headed. Note, some beneficiaries may be double counted if they are the recipients of more than one kind of assistance.</p> <p>The programs included here are working in five regions of the country – Shirak, Lori, Gergharkunik, Syunik, and Yerevan. The numbers used in this indicator include only services provided to these five regions through NGOs and not the services provided by the public sector as a result of USAID assistance.</p>			

Country/Organization: USAID/Armenia

Objective ID: 111-042

Objective Name: Special and Crosscutting Initiatives

Self-Assessment: Meeting expectations

Summary: This special/cross-cutting objective includes: activities carried out to meet Administration directives or Congressional earmarks; activities that address extraordinary circumstances (e.g., emergency relief); activities limited in time/scope that address targets of opportunities outside of the Mission's strategic framework (e.g., regional cooperation); and broad-impact activities without a predominant contribution to a single SO. This objective has potential linkages to most Agency objectives, but it is not possible to assign meaningful percentages. Its primary MPP and national security interest links are to economic development and economic prosperity, respectively. Initiatives being carried out under this objective include a pilot housing certificate program in the earthquake zone (EQZ); the Eurasia Foundation's loan and grants program; emergency provision of food following the summer 2000 drought; a mechanism to finance training across all Mission objectives; a regional water initiative; support for the national census; and program-associated administrative costs.

People living in temporary shelters and the municipalities in the earthquake zone are directly benefiting from USAID assistance. The ultimate beneficiaries of the regional water activity will be water users in all three countries. The beneficiaries of the drought relief activity are Armenians living in extreme poverty in drought stricken regions, including pensioners, the disabled, refugees, rural female-headed households and subsistence farmers. The beneficiaries of cross-cutting programs will be the same as those cited under each Mission Strategic Objective.

Key Results: The pilot housing certificate program is providing permanent shelter to 325 families, and will form the basis for an expanded program (to be implemented under a separate objective). The primary result of the regional water activity will be improved systems for water quality/quantity monitoring. Through the drought relief activity, which was just approved in early 2001, emergency food assistance will be provided to 297,000 beneficiaries (total for the entire planned multi-donor effort, of which USAID provided 20% of the funding). Crosscutting mechanisms contribute to the results cited for each SO.

Performance and Prospects: To address the long-term housing needs of the approximately 25,500 households still living in temporary shelters due to the 1988 earthquake, the Mission funded a highly successful pilot program to test a housing certificate model developed through World Bank/USAID analyses. The GOA also provided a cash contribution of approximately \$75,000. Through this open-market approach, average re-housing costs are \$3,300 per unit, as compared to roughly \$7,000 per unit for reinforcement programs and \$14,000 per unit for new construction. Therefore, as a key element of the GOA's overall approach for meeting the shelter needs of earthquake victims, USAID's expanded program—which will begin in mid-2001—will address shelter issues through housing certificates and rehabilitation grants, within the framework of an integrated strategy for redevelopment of the region.

The Regional Water Management Project just began in late FY 2000. In the fall of 2000, a series of national workshops were held in Georgia, Armenia and Azerbaijan to solicit stakeholder feedback to identify specific interventions related to: water quality and quantity information acquisition and management; database management and information exchange between the riparians; Geographical Information System (GIS) as a tool that integrates water information with socio-economic data; improved national-level capacity related to possible future international agreements; and demonstration of community-based transboundary watershed management.

The Eurasia Foundation's ongoing loans and grants program is designed to accelerate the development and growth of private enterprises; create more effective, responsive, and accountable government; and to increase citizen participation in political and economic decision-making. Due to the multi-sectoral nature of Eurasia's work, the regional character of the grant, and USAID's limited role in allocation decisions and management oversight, the Mission has moved this activity from SO 1.3 to this special objective. The Mission will continue to incorporate the results of Eurasia's work into the appropriate SO sections (e.g., Private Sector and Democracy). Based on information available to the Mission, the amount of Armenia funding in the Eurasia pipeline is significant, but the level of activity in Armenia has been far less than such funding levels would normally indicate. Therefore, FY 2002 and FY 2003 allocations to Eurasia should be no more than the level cited in last year's R4, and preferably less until apparent financial difficulties can be rectified.

The training activities conducted under this program develop new skills and knowledge relative to the achievement of USAID's strategic objectives. Training is provided for personnel from a number of GOA agencies, NGOs and private sector organizations, and is conducted in Armenia, United States and third countries. In 2000, USAID financed training for 3,032 participants (43% women) in various in-country, US-based and third-country programs through this crosscutting mechanism. The Global Bureau is in the process of establishing a new worldwide training instrument. The Mission will go through a process this spring, with the facilitation of E&E staff, to identify the areas where this mechanism can be used to support its strategic objectives and determine the approximate level of demand/effort anticipated over the next 2-3 years. In the meantime, this R4 assumes the same annual allocation of funding for the new crosscutting participant training mechanism as was cited in the last R4.

Accurate demographic information is critical for the government to be able to plan for the needs of its citizens. Armenia has not conducted a census since just after the earthquake in 1988. As a result of the disastrous effects of the earthquake, as well as the likely high rates of out-migration since independence, the actual population and demographics of the country are unknown. In 2000, USAID assisted the Armenian National Statistics Service with the implementation of a pilot census. Specifically, through an agreement with the U.S. Bureau of the Census, USAID assisted in the design of the questionnaire, the provision of software and data analysis, and assessment of the impact of the pilot results for the full census. The Government of Armenia has received commitments of multi-donor support, including from USAID, DFID (British), UNFPA and the World Bank, to conduct a full census in October 2001.

Possible Adjustments to Plans: Last year's R4 envisioned carrying out the post-pilot EQZ program under this Special Objective. However, based on the the priority that the GOA has placed on addressing the needs of the victims of the 1988 earthquake and the high success of the pilot program, USAID—in consultation with the Ambassador—has committed to providing funding beyond the original FY 2000 \$15 million earmark. Given current plans to perhaps double the total cost of the program based on multi-year funding (through FY 2002) and a decision to take a more comprehensive approach to USAID's EQZ intervention than was previously envisioned, this R4 requests approval of a stand-alone EQZ special objective.

Given the proper circumstances—especially progress towards a peaceful resolution of the Nagorno Karabakh conflict, USAID will seek opportunities to fund regional confidence building measures.

Other Donor Programs: Several private organizations are funding major housing construction programs in the earthquake zone. UNDP and the World Bank also implement parts of their programs in the earthquake zone, focusing mainly on the upgrading of water systems, small-scale infrastructure programs and rehabilitation of schools and health care facilities. The EU has supported transboundary water management (the Kura River). A multi-donor fund managed by the WFP is a primary mechanism through which drought relief is being provided.

Major Contractors and Grantees: At the current time, major contractors and grantees are the Academy for Educational Development (AED), the Eurasia Foundation, the Urban Institute, Development Alternatives, Inc, the World Food Program and the U.S. Bureau of the Census.

Country: USAID/Armenia

Objective Name: Households Living in Inadequate Shelter as a Result of the 1988 Earthquake Reduced

Objective Number: TBD

Self-Assessment: Meeting Expectations

Summary: This Strategic Objective is linked primarily to agency objectives 6.1 (Urgent needs in times of crises met – 100%). The strategic objective is also linked to the U.S. national interest in Humanitarian Response and the MPP goal of Economic Development.

Armenia suffered an earthquake on December 7, 1988 that resulted in more than 25,000 deaths and left approximately 100,000 households (or 530,000 people) without shelter. Twelve years later, approximately 26,000 households are still living in temporary and inadequate shelters. Temporary shelters are generally concentrated in the Shirak and Lori regions of northwest Armenia, the area most affected by the earthquake, with more than half of the shelters located in the city of Gumri. The presence of the “domics” (modified railroad cars commonly used as housing in the area) and households living in public assets, as well as the large amount of unfinished construction (mainly concentrated in Gumri) has perpetuated the public’s perception of the area as a disaster zone. Over the years, the Government of Armenia has maintained a commitment—which it considers a political and economic priority—to provide the victims of the earthquake with adequate, permanent shelter. The GOA has pledged to make significant progress in meeting the needs of the region by the end of 2001. To this end, the GOA has renewed its efforts to secure international funding and has allocated its own resources for rehabilitation of this region.

The Mission has designed a three-year Earthquake Zone Recovery Program that takes into account lessons learned to date under the pilot housing certificate program, other experiences in meeting shelter needs in the areas affected by the earthquake, Government of Armenia preferences, and the intent of Congressional managers to support recovery and reconstruction in the earthquake zone. The program is designed to provide housing for 7,000 households and to contribute to overall economic reconstruction by providing: 1) support to the GOA for a plan for redevelopment of the region, 2) housing certificates to help victims move out of temporary shelters and into available privately-owned housing, and 3) grants to improve housing to an acceptable standard.

Key Results: By the end of this three-year program, USAID will have provided up to 7,000 households, currently living in temporary or inadequate shelter because of the 1988 earthquake, with adequate permanent shelter that has access to water, sanitation and electricity. In addition, the clearance of temporary shelters will be completed as part of a comprehensive and coordinated plan for the redevelopment of selected urban areas in the Shirak and Lori regions.

Performance and Prospects: The World Bank and other donors have provided support over the past ten years for new construction and reinforcement of buildings in the earthquake zone, but

these approaches have not been able to fully meet shelter needs. In early 1999, the World Bank contracted the Urban Institute to develop recommendations for meeting shelter needs in the earthquake zone. The resulting study recommended meeting shelter needs through cost-effective alternatives to new construction, such as reinforcing buildings damaged by the earthquake, the use of housing certificates to allow families to purchase permanent housing available on the market, and completion of partially constructed buildings. The Government of Armenia endorsed this new housing strategy for the earthquake zone and requested USAID support.

In March 2000, under Special Objective 4.2 (Crosscutting/Special Initiatives), USAID/Armenia began a pilot program to test the housing certificate model in Gumri. The GOA has become a strong advocate of USAID's housing certificate approach because of the success of the pilot program. As evidence of this commitment, the GOA provided a \$75,000 cash contribution to the pilot program, and is expected to provide complementary funding for this expanded program.

Based on the results to date of the pilot program, this model appears to be more cost effective than either reinforcing damaged multi-unit apartment buildings or new construction, given the relatively low values of housing stock for sale. Average housing certificate values under the pilot program have been approximately \$3,300 per unit, compared to roughly \$7,000 per unit for reinforcement and \$14,000 per unit for new construction. In a World Bank-funded survey of households living in temporary shelters in early 1999, almost half of all respondents indicated that they would be willing to relocate to permanent housing for compensation of one third to two-thirds of the cost of a new home. This provides strong evidence that the housing certificate and housing improvement grant components will be acceptable to targeted recipients. Preliminary USAID-funded analysis showed that a suitable housing market exists from which certificate holders may purchase homes. Experience under the pilot housing certificate program has demonstrated the general public's and participants' interest and support, as well as the effectiveness of program procedures. In addition, local banks, regional cadastre offices, local government and others have all demonstrated their capacity to manage and support the distribution and redemption of the certificate program.

Taking into account experience to date under the pilot program as well as GOA preferences, the expanded program contains the following three components:

Planning for Redevelopment: Through the provision of technical assistance, the program will support the GOA in overall planning for the redevelopment of the Shirak and Lori regions. The program will assist the GOA in selecting priorities for development and economic reconstruction, the coordinating all donor and other efforts in the area, and planning for land use and public asset disposition—including the physical locations targeted for the issuance of housing certificates and urban housing improvement grants.

Provision of Housing Certificates to Clear Urban Land: Through the use of housing certificates, permanent adequate housing will be provided to 5,000 urban households in the Shirak and Lori regions. As a result of the destruction and removal of a corresponding number of "domics" by local authorities, this is expected to clear a significant amount of urban land for more productive uses, and begin to change the area's image as a disaster zone.

Housing Improvement Grant Program: This program will pilot a new mechanism to provide grants for housing rehabilitation, improvement or completion. While the majority of grants will be provided to individual households in rural areas, urban condominium or other homeowner associations and individual urban households will also be eligible to receive grants. Households not eligible to receive a housing certificate because they are already assigned a unit in a reinforced or otherwise inhabitable building will be considered for housing improvement grants under this component. At least 2,000 households and 80 condominium or homeowners' associations are expected to benefit from this component.

Possible Adjustments to Plans: The program described above assumes that, in addition to the \$15 million provided through the FY 2000 legislative earmark and the \$5 million previously allocated from FY 2001 funds, an additional \$11 million will be approved from FY 2002 FSA. If this request for additional funding were not approved, the EQZ program would be fully funded in FY 2001, and only 4,000 families would be re-housed (as opposed to the 7,000 expected under the fully funded program).

Other Donor Programs: Several private organizations are funding major housing construction programs in the earthquake zone, including the Lincy and Huntsman Foundations. UNDP and the World Bank also implement parts of their programs in the earthquake zone, focusing mainly on the upgrading of water systems, small-scale infrastructure programs and rehabilitation of schools and health care facilities.

Major Contractors and Grantees: The program is currently under procurement.

R4 Part III: Resource Request

Armenia receives an annual country earmark from Congress within a total amount provided to the NIS under the Freedom Support Act (FSA). Armenia's level remained relatively constant over the 1995-1999 period, at approximately \$80 million per year. However, in FY 2000 and FY 2001, the total allocated for Armenia was \$102 million and \$90 million, respectively. Of this total country earmark, USAID has managed between 60% to 75%, with the remainder allocated to a number of other USG agencies. USAID's total funding in FY 2001 is \$55.3 million. An additional \$7.4 million has been set aside in a performance fund for use by any USG agency, subject to the NIS Coordinator's and Ambassador's concurrence. In addition to the \$55.3 million in FY 2001 funding, USAID also has available more than \$35 million in funding carried over from FY 2000.

Absent new control levels, the starting point for the Mission's resources planning through the R4 period are the annual levels cited in last year's R4 (\$58 million program funding and \$2.4 million OE funding), and the current levels of 60 total staff and 7 USDH staff.

The annual planning level cited in the last R4 will be sufficient to carry out the full range of programs, as planned in the USAID/Armenia Strategy. Any reduction in funding levels would require a trade-off between newer people-level initiatives and ongoing support for structural reform, or would prevent the start-up of new programs (e.g., those related to IT, tourism, alternate energy sources, anti-corruption, strengthening the National Assembly). However, the Mission—with the support of the Ambassador—is requesting an additional \$11 million in FY 2002 funding (a total of \$69 million) in order to finance a more ambitious Earthquake Zone Recovery Program to re-house the victims of the 1988 earthquake. The rationale behind this request is outlined in Part II of this R4.

Last year, the Mission had anticipated that the start-up of many new activities in late FY 2000—including several larger-value mechanisms—would result in an increase in the Mission's pipeline.² However, since \$35 million in FY 2000 money was carried over to FY 2001, the Mission's pipeline actually decreased from \$77 million at the end of FY 1999 to \$65 million at the end of FY 2000. This remains a relatively small pipeline, representing only 90% of planned FY 2001 expenditures (approximately 11 months of funding). Assuming full obligation of the Mission's FY 2001 OYB, the overall portfolio pipeline will increase by about \$15 million by the October 2001. This increase would be mainly attributable to the planned large obligation for the new EQZ Program, but even then the portfolio pipeline would only represent 13 months of funding and will begin decreasing in FY 2002 and FY 2003.

As cited in last year's R4, the Mission has initiated a process whereby an increasing proportion of resources are being dedicated to firm/local/people-level initiatives. From FY 2001 through FY 2003, the Mission expects that approximately 60% of its budget will be obligated to such programs, with the remainder used mainly to support continuing structural reform efforts. In addition, over the last year, the Mission has consolidated a shift in its sectoral emphases. For

² Pipeline amounts cited in this R4 are estimates made by the Mission's Office of Financial Management, as the latest EE/OM report includes data that are not consistent with the current USAID/Armenia strategic framework and several distorted figures.

example, in FY 1998 and FY 1999, about 61% of Mission resources were dedicated to economic restructuring, private sector activities and energy reform; and in FY 1997 and FY 1998, nearly 40% of USAID's resources went to humanitarian assistance programs. In contrast, the sectoral distribution of USAID's resources in FY 2001- FY 2003 is expected to be as follows: Private Sector: 29%; Energy: 12%; Water: 2%; Democracy/Governance: 16%; Social Sectors: 17%; Earthquake Zone: 14%; other special/crosscutting initiatives: 10%; humanitarian assistance: 0%.

The following are considerations behind the funding levels cited for each sector in this R4:

Funding for the Private Sector SO (111-013) remains essentially constant with the plans cited in the last R4. The portfolio's estimated pipeline is less than 80% of the amount expended in FY 2000. The only major pipeline issue relates to the regional Shorebank agreement. However, the Bureau is coordinating a process through which \$8 million will be deobligated and made available for other priority uses in Armenia. While performance under this SO has been mixed over the last two years, funding is projected to remain constant through FY 2003 based on a shift in programmatic priorities. For example, through the R4 period, more than 25% of the sectoral budget will be dedicated to direct firm-level interventions.

The average annual planning level for the Energy Sector SO (111-015) remains largely unchanged. However, the level in FY 2002 will dip significantly due to plans to fully fund two new two-year activities in FY 2001. This will allow the Mission to meet funding demands for the Social Sectors SO in FY 2002, and then—assuming adequate performance in the energy sector, especially as it relates to privatization—funding will be increased in FY 2003 to cover the costs of the next phase of the Mission's energy program. The portfolio's estimated pipeline is only 50% of the actual FY 2000 expenditure level.

At approximately \$1.5 million per year, planned funding for the recently initiated Water Special Objective (SpO 111-016), is only slightly higher than the level cited last year.

The nature of the Mission's Democracy/Governance SO (111-021) has undergone a significant transition in order to address the disappointing performance of the last two years. Specifically, plans through FY 2003 call for approximately two-thirds of D/G funding to be used to facilitate local-level empowerment. To fully fund this expanded program, as well as to allow for new initiatives related to strengthening the National Assembly and anti-corruption, the planned funding level for the SO has been increased by \$1 million to \$2 million per year. While the portfolio's current pipeline represents approximately 165% of FY 2000 expenditures (19 months of funding), the SO's expenditure rate is expected to double in FY 2001 as activities that were begun in the last quarter of FY 2000 become fully operational.

The total annual funding for the Social Sectors SO (111-034) through the R4 period will remain consistent with the level cited last year. However, in order to meet the immediate needs of the various mechanisms started up at the end of FY 2000, funding will be significantly higher in FY 2001 and FY 2002. Because of the late-FY 2000 start-up of

activities, the portfolio's current pipeline is very large compared to FY 2000 expenditures (270%). However, this will be a short-lived distortion, as evidenced by the fact that first quarter expenditures for the SO were almost as much as the total expenditure level for all of FY 2000. By the end of FY 2001, the SO pipeline will be less than the annual expenditure rate.

The Mission continues to program approximately \$6 million per year for its Special/Crosscutting Objective (111-042), primarily to fund the Eurasia Foundation, the Global Bureau's participant training mechanism, regional initiatives and program-associated logistical/administrative costs.

The Mission's OE Funding request includes an increase of about \$400,000 in FY 2002 and \$500,000 in FY 2003 from the FY 2001 level (\$2.4 million). Additional funding will include:

- \$275,000 to cover the OE portion of a Security Supplemental charge under ICASS. To date, the Security Supplemental was charged 100% to State, but effective in FY 2002 this cost will be shared by each participating agency.

- \$130,000 in the Purchase of Residential Furniture/Equipment Line Item, as most of residential furnishings will be replaced during FY 2002 and FY 2003.

- An anticipated high staff turnover in FY 2003 requires an additional \$100,000 for assignment freight, a significant increase from FY 2002 when only one OE-funded staff member is scheduled to leave.

The number of Mission personnel has grown in recent years, with the staffing pattern ceiling set at 50 in FY 1999 and now reaching 60. The Mission anticipates a net addition of only one position through the R4 period. However, the Mission is requesting an increase in its USDH level from 7 to 9, as follows:

The Bureau has approved the assignment of a Contracting Officer NEP to the Mission. In order to allow for this high priority assignment within existing staffing levels, the Mission re-designated the Deputy Position in the Energy and Economic Restructuring Office as a USPSC. However, given the scope and complexity of the office staff and portfolio (e.g., approximately \$35 million to be obligated in FY 2001 and 24 ongoing activities), the Mission considers it essential to re-establish a second USDH position in the office during the R4 period in order to improve management oversight.

USAID/Armenia's consistently high funding levels and the growing complexity of its portfolio will continue to increase the Mission's vulnerability related to procurement, administrative and financial systems. As such, the Mission is also requesting that the Bureau add a Controller to the Mission's FTE within the next two years. While the Mission has covered its needs in this area to date through the recruitment of experienced PSCs, over time the lack of a USDH could have the cumulative impact of undermining USAID's ability to ensure the optimal and appropriate use of staff and financial

resources. Such an addition will also allow the Mission to become its own accounting station.

Program, Workforce and OE Tables

*(Please refer to a separate Excel files located in folder named **“Country03R2B data”**; enter data)*

- | | |
|---|--------------------------|
| 1. Budget Request by program/country | “Armenia03R2B_SO#.xls” |
| 2. Workforce Tables | “Armenia03R2B_WF.xls” |
| 3. USDH Staffing Requirements | “Armenia03R2B_DH.xls” |
| 4. Operating Expenses | “Armenia03R2B_OE.xls” |
| 5. Trust Fund & FSN Voluntary Separation Payment/Withdrawal Information | ”Armenia03R2B_tfFSN.xls” |
| 6. Controller Operations | “Armenia03R2B_CO.xls” |
| 7. Global Bureau Field Support Table | “Armenia03GFS.xls” |

FY 2001 Budget Request by Program/Country

Fiscal Year: 2001 Program/Country: USAID/Armenia
 Approp: FSA
 Scenario:

FY 2001 Request															
S.O. #, Title	Starting Pipeline	Total	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival & Maternal Health (*)	Other Infectious Diseases (*)	HIV/AIDS (*)	Vulnerable Children (*)	Environ	D/G	Est. S.O. Expenditures	Est. S.O. Pipeline End of 2001
SO 111-013-01: Growth of the Competitive Private Sector															
Bilateral	25,597	14,013		14,013										16,550	29,285
Field Spt		6,225	4,575	1,650											
	25,597	20,238	4,575	15,663	0	0	0	0	0	0	0	0	0	16,550	29,285
SO 111-015-01: A More Economically Sustainable and Environmentally Sound Energy Sector															
Bilateral	7,035	925		925										9,000	10,281
Field Spt		11,321		5,661								5,660			
	7,035	12,246	0	6,586	0	0	0	0	0	0	0	5,660	0	9,000	10,281
SpO 111-016-01: More Sustainable Water management For Enhanced Environmental Quality															
Bilateral	104	20										20		1,200	601
Field Spt		1,677										1,677			
	104	1,697	0	0	0	0	0	0	0	0	0	1,697	0	1,200	601
SO 111-021-01: More Transparent, Accountable and Responsive Democratic Governance															
Bilateral	9,229	10,759											10,759	11,500	10,688
Field Spt		2,200											2,200		
	9,229	12,959	0	0	0	0	0	0	0	0	0	0	12,959	11,500	10,688
SO 111-034-01: Mitigation of Adverse Effects of the Transition															
Bilateral	13,791	12,200					1,300	5,000	5,900					17,900	9,491
Field Spt		1,400						1,400							
	13,791	13,600	0	0	0	0	1,300	6,400	5,900	0	0	0	0	17,900	9,491
SpO 111-TBD-01: EQZ Special Objective (pending approval - currently under SpO 4.2)															
Bilateral	0	19,500		19,500										3,000	16,500
Field Spt		0													
	0	19,500	0	19,500	0	0	0	0	0	0	0	0	0	3,000	16,500
SO 111-042-01: Cross-Cutting/Special Initiatives															
Bilateral	8,893	6,600		6,600										13,500	5,593
Field Spt		3,600		600		2,000						1,000			
	8,893	10,200	0	7,200	0	2,000	0	0	0	0	0	1,000	0	13,500	5,593
Total Bilateral	64,649	64,017	0	41,038	0	0	1,300	5,000	5,900	0	0	20	10,759	72,650	82,439
Total Field Support	0	26,423	4,575	7,911	0	2,000	0	1,400	0	0	0	8,337	2,200	0	0
TOTAL PROGRAM	64,649	90,440	4,575	48,949	0	2,000	1,300	6,400	5,900	0	0	8,357	12,959	72,650	82,439

FY 2001 Request Agency Goal Totals	
Econ Growth	53,524
Democracy	12,959
HCD	2,000
PHN	13,600
Environment	8,357
GCC (from all Goals)	4,100

FY 2001 Account Distribution (DA only)	
DA Program Total	78,140
CSD Program Total	12,300
TOTAL	90,440

Note: TOTAL includes FY00/01 carryover.

Prepare one set of tables for each Fiscal Year (FY2001, FY2002, FY2003)

Prepare one set of tables for each appropriation Account

Tables for DA and CSD may be combined on one table.

For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account.

FY 2002 Budget Request by Program/Country

Fiscal Year: 2002 Program/Country: USAID/Armenia
 Approp: FSA
 Scenario:

FY 2002 Request															
S.O. # , Title	Starting Pipeline	Total	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival & Maternal Health (*)	Other Infectious Diseases (*)	HIV/AIDS (*)	Vulnerable Children (*)	Environ	D/G	Est. S.O. Expenditures	Est. S.O. Pipeline End of 2002
SO 111-013-01: Growth of the Competitive Private Sector															
Bilateral	29,285	16,050		16,050										20,000	30,485
Field Spt		5,150	1,000	4,150											
	29,285	21,200	1,000	20,200	0	0	0	0	0	0	0	0	0	20,000	30,485
SO 111-015-01: A More Economically Sustainable and Environmentally Sound Energy Sector															
Bilateral	10,281	1,000		1,000										7,000	6,381
Field Spt		2,100		1,100								1,000			
	10,281	3,100	0	2,100	0	0	0	0	0	0		1,000	0	7,000	6,381
SpO 111-016-01: More Sustainable Water management For Enhanced Environmental Quality															
Bilateral	601	200										200		1,000	801
Field Spt		1,000										1,000			
	601	1,200	0	0	0	0	0	0	0	0		1,200	0	1,000	801
SO 111-021-01: More Transparent, Accountable and Responsive Democratic Governance															
Bilateral	10,688	10,200											10,200	12,000	9,688
Field Spt		800											800		
	10,688	11,000	0	0	0	0	0	0	0	0		0	11,000	12,000	9,688
SO 111-034-01: Mitigation of Adverse Effects of the Transition															
Bilateral	9,491	15,500					1,450	6,850		7,200				15,000	9,991
Field Spt		0													
	9,491	15,500	0	0	0	0	1,450	6,850	0	7,200		0	0	15,000	9,991
SpO 111-0TB01-01: EQZ Special Objective (pending approval - currently under SpO 4.2)															
Bilateral	16,500	11,000		11,000										10,000	17,500
Field Spt		0													
	16,500	11,000	0	11,000	0	0	0	0	0	0		0	0	10,000	17,500
SO 111-042-01: Cross-Cutting/Special Initiatives															
Bilateral	5,593	3,704	3,704											6,000	5,593
Field Spt		2,296				2,000						296			
	5,593	6,000	3,704	0	0	2,000	0	0	0	0		296	0	6,000	5,593
Total Bilateral	82,439	57,654	3,704	28,050	0	0	1,450	6,850	0	7,200	0	200	10,200	71,000	80,439
Total Field Support	0	11,346	1,000	5,250	0	2,000	0	0	0	0	0	2,296	800	0	0
TOTAL PROGRAM	82,439	69,000	4,704	33,300	0	2,000	1,450	6,850	0	7,200	0	2,496	11,000	71,000	80,439

FY 2002 Request Agency Goal Totals

Econ Growth	38,004
Democracy	11,000
HCD	2,000
PHN	15,500
Environment	2,496
GCC (from all Goals)	2,000

FY 2002 Account Distribution (DA only)

DA Program Total	54,950
CSD Program Total	14,050
TOTAL	69,000

Prepare one set of tables for each Fiscal Year (FY2001, FY2002, FY2003)

Prepare one set of tables for each appropriation Account

Tables for DA and CSD may be combined on one table.

For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account.

FY 2003 Budget Request by Program/Country

Fiscal Year: 2003 Program/Country: USAID/Armenia
 Approp: FSA
 Scenario:

FY 2003 Request															
S.O. # , Title	Starting Pipeline	Total	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival & Maternal Health (*)	Other Infectious Diseases (*)	HIV/AIDS (*)	Vulnerable Children (*)	Environ	D/G	Est. S.O. Expenditures	Est. S.O. Pipeline End of 2003
SO 111-013-01: Growth of the Competitive Private Sector															
Bilateral	30,485	14,650		14,650										21,000	31,285
Field Spt		7,150	3,000	4,150											
	30,485	21,800	3,000	18,800	0	0	0	0	0	0		0	0	21,000	31,285
SO 111-015-01: A More Economically Sustainable and Environmentally Sound Energy Sector															
Bilateral	6,381	1,100		1,100										7,000	10,381
Field Spt		9,900		5,000								4,900			
	6,381	11,000	0	6,100	0	0	0	0	0	0		4,900	0	7,000	10,381
SpO 111-016-01: More Sustainable Water management For Enhanced Environmental Quality															
Bilateral	801	200										200		1,600	1,001
Field Spt		1,600										1,600			
	801	1,800	0	0	0	0	0	0	0	0		1,800	0	1,600	1,001
SO 111-021-01: More Transparent, Accountable and Responsive Democratic Governance															
Bilateral	9,688	10,000											10,000	12,000	7,688
Field Spt		0													
	9,688	10,000	0	0	0	0	0	0	0	0		0	10,000	12,000	7,688
SO 111-034-01: Mitigation of Adverse Effects of the Transition															
Bilateral	9,991	7,500						3,000		4,500				13,000	4,991
Field Spt		500					500								
	9,991	8,000	0	0	0	0	500	3,000	0	4,500		0	0	13,000	4,991
SpO 111-0TB01: EQZ Special Objective (pending approval - currently under SpO 4.2)															
Bilateral	17,500	0												8,000	9,500
Field Spt		0													
	17,500	0	0	0	0	0	0	0	0	0		0	0	8,000	9,500
SO 111-042-01: Cross-Cutting/Special Initiatives															
Bilateral	5,593	3,400	3,400											5,000	5,993
Field Spt		2,000				2,000									
	5,593	5,400	3,400	0	0	2,000	0	0	0	0		0	0	5,000	5,993
Total Bilateral	80,439	36,850	3,400	15,750	0	0	0	3,000	0	4,500	0	200	10,000	67,600	70,839
Total Field Support	0	21,150	3,000	9,150	0	2,000	500	0	0	0	0	6,500	0	0	0
TOTAL PROGRAM	80,439	58,000	6,400	24,900	0	2,000	500	3,000	0	4,500	0	6,700	10,000	67,600	70,839

FY 2003 Request Agency Goal Totals

Econ Growth	31,300
Democracy	10,000
HCD	2,000
PHN	8,000
Environment	6,700
GCC (from all Goals)	3,600

FY 2003 Account Distribution (DA only)

DA Program Total	50,500
CSD Program Total	7,500
TOTAL	58,000

Prepare one set of tables for each Fiscal Year (FY2001, FY2002, FY2003)

Prepare one set of tables for each appropriation Account

Tables for DA and CSD may be combined on one table.

For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account

Washington and Overseas Workforce Tables

Org <u>USAID/ARMENIA</u> End of year On-Board							Total SO/SpO	Org. Mgmt.	Fin. Mgmt.	Admin. Mgmt.	Con- tract	Legal	All Other	Total Mgmt.	Total Staff
FY 2001 Estimate	SO 1.3	SO 1.5	SO 2.1	SO 3.4	SO 4.2	SpO 1.6									
OE Funded: 1/															
U.S. Direct Hire	0.5	0.5	1	1			3	3	0	0	1	0	0	4	7
Other U.S. Citizens							0	2	1	2	0	0	0	5	5
FSN/TCN Direct Hire							0							0	0
Other FSN/TCN							0	4	8	12	0	0	0	24	24
Subtotal	0.5	0.5	1	1	0	0	3	9	9	14	1	0	0	33	36
Program Funded 1/															
U.S. Citizens	3	2	1	1	1	0	8							0	8
FSNs/TCNs	2.5	1.5	2.5	2.5	0	1	10			4				4	14
Subtotal	5.5	3.5	3.5	3.5	1	1	18	0	0	4	0	0	0	4	22
Total Direct Workforce	6	4	4.5	4.5	1	1	21	9	9	18	1	0	0	37	58
TAACS							0							0	0
Fellows							2							0	2
NEPs							0							0	0
Subtotal	0	0	0	1	0	1	2	0	0	0	0	0	0	0	2
TOTAL WORKFORCE	6	4	4.5	5.5	1	2	23	9	9	18	1	0	0	37	60

1/ Excludes TAACS, Fellows, and NEPs

Washington and Overseas Workforce Tables

Org <u>USAID/ARMENIA</u> End of year On-Board							Total SO/SpO	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	Legal	All Other	Total Mgmt.	Total Staff
FY 2002 Target	SO 1.3	SO 1.5	SO 2.1	SO 3.4	SO 4.2	SpO 1.6									
OE Funded: 1/															
U.S. Direct Hire	1	1	1	1			4	3	1	0	1	0	0	5	9
Other U.S. Citizens							0	2	0	2	0	0	0	4	4
FSN/TCN Direct Hire							0							0	0
Other FSN/TCN							0	4	8	12	0	0	0	24	24
Subtotal	1	1	1	1	0	0	4	9	9	14	1	0	0	33	37
Program Funded 1/															
U.S. Citizens	3	2	1	1	1	0	8							0	8
FSNs/TCNs	2.5	1.5	2.5	2.5	0	1	10			4				4	14
Subtotal	5.5	3.5	3.5	3.5	1	1	18	0	0	4	0	0	0	4	22
Total Direct Workforce	6.5	4.5	4.5	4.5	1	1	22	9	9	18	1	0	0	37	59
TAACS							0							0	0
Fellows							2							0	2
IDIs							0							0	0
Subtotal	0	0	0	1	0	1	2	0	0	0	0	0	0	0	2
TOTAL WORKFORCE	6.5	4.5	4.5	5.5	1	2	24	9	9	18	1	0	0	37	61

1/ Excludes TAACS, Fellows, and NEPs

TABLE Armenia03r2b_wf

Washington and Overseas Workforce Tables

Org USAID/ARMENIA End of year On-Board							Total SO/SpO Staff	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	Legal	All Other	Total Mgmt.	Total Staff
FY 2003 Target	SO 1.3	SO 1.5	SO 2.1	SO 3.4	SO 4.2	SpO 1.6									
OE Funded: 1/															
U.S. Direct Hire	1	1	1	1			4	3	1	0	1	0	0	5	9
Other U.S. Citizens							0	2	0	2	0	0	0	4	4
FSN/TCN Direct Hire							0							0	0
Other FSN/TCN							0	4	8	12	0	0	0	24	24
Subtotal	1	1	1	1	0	0	4	9	9	14	1	0	0	33	37
Program Funded 1/															
U.S. Citizens	3	2	1	1	1	0	8							0	8
FSNs/TCNs	2.5	1.5	2.5	2.5	0	1	10			4				4	14
Subtotal	5.5	3.5	3.5	3.5	1	1	18	0	0	4	0	0	0	4	22
Total Direct Workforce	6.5	4.5	4.5	4.5	1	1	22	9	9	18	1	0	0	37	59
TAACS							0							0	0
Fellows							2							0	2
IDIs							0							0	0
Subtotal	0	0	0	1	0	1	2	0	0	0	0	0	0	0	2
TOTAL WORKFORCE	6.5	4.5	4.5	5.5	1	2	24	9	9	18	1	0	0	37	61

USDH Staffing Requirements by Backstop, FY 2001 - FY 2004

Mission:

USAID/ARMENIA

Occupational Backstop (BS)	Number of USDH Employees in Backstop in:			
	FY 2001	FY 2002	FY 2003	FY 2004
Senior Management				
SMG - 01	2	2	2	2
Program Management				
Program Mgt - 02	1	1	1	1
Project Dvpm Officer - 94				
Support Management				
EXO - 03				
Controller - 04		1	1	1
Legal - 85				
Commodity Mgt. - 92				
Contract Mgt. - 93	1	1	1	1
Sector Management				
Agriculture - 10 & 14				
Economics - 11		1	1	1
Democracy - 12	1	1	1	1
Food for Peace - 15				
Private Enterprise - 21	1	1	1	1
Engineering - 25				
Environment - 40 & 75				
Health/Pop. - 50	1	1	1	1
Education - 60				
Total	7	9	9	9

GDOs: If you have a position that is currently designated a BS-12 GDO, list that position under the occupational backstop that most closely reflects the skills needed for the position.

RUDOs: do not forget to include those who were in UE-funded RUDO positions.

remaining **IDIs:** list under the occupational Backstop for the work they do.

Please e-mail this worksheet in Excel to: Maribeth Zankowski@HR.PPIM@aidw and to M. Cary Kauffman@HR.PPIM@aidw as well as include it with your R4 submission.

OPERATING EXPENSES

Org. Title: USAID/Armenia		Overseas Mission Budgets								
Org. No: 111		FY 2001 Estimate			FY 2002 Target			FY 2003 Target		
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
11.1	Personnel compensation, full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.1	Base Pay & pymt. for annual leave balances - FNDH			0.0			0.0			0.0
	Subtotal OC 11.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.3	Personnel comp. - other than full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.3	Base Pay & pymt. for annual leave balances - FNDH			0.0			0.0			0.0
	Subtotal OC 11.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.5	Other personnel compensation	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.5	USDH			0.0			0.0			0.0
11.5	FNDH			0.0			0.0			0.0
	Subtotal OC 11.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.8	Special personal services payments	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.8	USPSC Salaries	406.3		406.3	418.5		418.5	431.0		431.0
11.8	FN PSC Salaries	309.9		309.9	329.1		329.1	378.4		378.4
11.8	IPA/Details-In/PASAs/RSSAs Salaries			0.0			0.0			0.0
	Subtotal OC 11.8	716.2	0.0	716.2	747.6	0.0	747.6	809.4	0.0	809.4
12.1	Personnel benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	USDH benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Educational Allowances	94.2		94.2	109.2		109.2	109.2		109.2
12.1	Cost of Living Allowances	10.0		10.0	22.0		22.0	22.0		22.0
12.1	Home Service Transfer Allowances	0.0		0.0	0.0		0.0	0.0		0.0
12.1	Quarters Allowances	5.0		5.0	2.0		2.0	5.0		5.0
12.1	Other Misc. USDH Benefits	5.0		5.0	5.0		5.0	5.0		5.0
12.1	FNDH Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	** Payments to FSN Voluntary Separation Fund - FNDH			0.0			0.0			0.0
12.1	Other FNDH Benefits			0.0			0.0			0.0
12.1	US PSC Benefits	0.0		0.0	0.0		0.0	0.0		0.0
12.1	FN PSC Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	** Payments to the FSN Voluntary Separation Fund - FN PSC			0.0			0.0			0.0
12.1	Other FN PSC Benefits	15.0		15.0	16.0		16.0	18.0		18.0
12.1	IPA/Detail-In/PASA/RSSA Benefits			0.0			0.0			0.0
	Subtotal OC 12.1	129.2	0.0	129.2	154.2	0.0	154.2	159.2	0.0	159.2

OPERATING EXPENSES

Org. Title:		Overseas Mission Budgets								
Org. No:		FY 2001 Estimate			FY 2002 Target			FY 2003 Target		
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
13.0	Benefits for former personnel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	FNDH	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FNDH			0.0			0.0			0.0
13.0	Other Benefits for Former Personnel - FNDH			0.0			0.0			0.0
13.0	FN PSCs	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FN PSCs			0.0			0.0			0.0
13.0	Other Benefits for Former Personnel - FN PSCs			0.0			0.0			0.0
	Subtotal OC 13.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
21.0	Travel and transportation of persons	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Training Travel	67.8		67.8	55.0		55.0	50.0		50.0
21.0	Mandatory/Statutory Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Post Assignment Travel - to field	46.0		46.0	5.0		5.0	30.0		30.0
21.0	Assignment to Washington Travel	0.0		0.0	0.0		0.0	0.0		0.0
21.0	Home Leave Travel	12.0		12.0	10.0		10.0	20.0		20.0
21.0	R & R Travel	23.0		23.0	25.0		25.0	25.0		25.0
21.0	Education Travel	5.0		5.0	5.0		5.0	5.0		5.0
21.0	Evacuation Travel	20.0		20.0	20.0		20.0	20.0		20.0
21.0	Retirement Travel	0.0		0.0	0.0		0.0	0.0		0.0
21.0	Pre-Employment Invitational Travel	0.0		0.0	0.0		0.0	0.0		0.0
21.0	Other Mandatory/Statutory Travel	0.0		0.0	0.0		0.0	0.0		0.0
21.0	Operational Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Site Visits - Headquarters Personnel	30.0		30.0	30.0		30.0	30.0		30.0
21.0	Site Visits - Mission Personnel	35.4		35.4	30.0		30.0	30.0		30.0
21.0	Conferences/Seminars/Meetings/Retreats	35.0		35.0	35.0		35.0	35.0		35.0
21.0	Assessment Travel	0.0		0.0	0.0		0.0	0.0		0.0
21.0	Impact Evaluation Travel	0.0		0.0	0.0		0.0	0.0		0.0
21.0	Disaster Travel (to respond to specific disasters)	0.0		0.0	0.0		0.0	0.0		0.0
21.0	Recruitment Travel	0.0		0.0	0.0		0.0	0.0		0.0
21.0	Other Operational Travel	10.0		10.0	10.0		10.0	10.0		10.0
	Subtotal OC 21.0	284.2	0.0	284.2	225.0	0.0	225.0	255.0	0.0	255.0
22.0	Transportation of things	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22.0	Post assignment freight	200.0		200.0	25.0		25.0	100.0		100.0
22.0	Home Leave Freight	10.0		10.0	10.0		10.0	15.0		15.0
22.0	Retirement Freight	0.0		0.0	0.0		0.0	0.0		0.0
22.0	Transportation/Freight for Office Furniture/Equip.	5.0		5.0	20.0		20.0	5.0		5.0

OPERATING EXPENSES

Org. Title: USAID/Armenia		Overseas Mission Budgets								
Org. No: 111		FY 2001 Estimate			FY 2002 Target			FY 2003 Target		
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
22.0	Transportation/Freight for Res. Furniture/Equip.	35.6		35.6	75.0		75.0	100.0		100.0
	Subtotal OC 22.0	250.6	0.0	250.6	130.0	0.0	130.0	220.0	0.0	220.0
23.2	Rental payments to others	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.2	Rental Payments to Others - Office Space	0.0		0.0	0.0		0.0	0.0		0.0
23.2	Rental Payments to Others - Warehouse Space	0.0		0.0	0.0		0.0	0.0		0.0
23.2	Rental Payments to Others - Residences	224.3		224.3	240.0		240.0	270.0		270.0
	Subtotal OC 23.2	224.3	0.0	224.3	240.0	0.0	240.0	270.0	0.0	270.0
23.3	Communications, utilities, and miscellaneous charges	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.3	Office Utilities	0.0		0.0	0.0		0.0	0.0		0.0
23.3	Residential Utilities	30.0		30.0	32.5		32.5	35.0		35.0
23.3	Telephone Costs	40.0		40.0	40.0		40.0	40.0		40.0
23.3	ADP Software Leases	0.0		0.0	0.0		0.0	0.0		0.0
23.3	ADP Hardware Lease	0.0		0.0	0.0		0.0	0.0		0.0
23.3	Commercial Time Sharing	0.0		0.0	0.0		0.0	0.0		0.0
23.3	Postal Fees (Other than APO Mail)	0.0		0.0	0.0		0.0	0.0		0.0
23.3	Other Mail Service Costs	0.0		0.0	0.0		0.0	0.0		0.0
23.3	Courier Services	5.0		5.0	5.0		5.0	5.0		5.0
	Subtotal OC 23.3	75.0	0.0	75.0	77.5	0.0	77.5	80.0	0.0	80.0
24.0	Printing and Reproduction	1.0		1.0	2.0		2.0	2.0		2.0
	Subtotal OC 24.0	1.0	0.0	1.0	2.0	0.0	2.0	2.0	0.0	2.0
25.1	Advisory and assistance services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.1	Studies, Analyses, & Evaluations	0.0		0.0	0.0		0.0	0.0		0.0
25.1	Management & Professional Support Services	10.0		10.0	25.0		25.0	5.0		5.0
25.1	Engineering & Technical Services	0.0		0.0	0.0		0.0	0.0		0.0
	Subtotal OC 25.1	10.0	0.0	10.0	25.0	0.0	25.0	5.0	0.0	5.0
25.2	Other services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.2	Office Security Guards	0.0		0.0	0.0		0.0	0.0		0.0
25.2	Residential Security Guard Services	0.0		0.0	0.0		0.0	0.0		0.0
25.2	Official Residential Expenses	0.0		0.0	0.0		0.0	0.0		0.0
25.2	Representation Allowances	1.0		1.0	1.0		1.0	1.0		1.0
25.2	Non-Federal Audits	0.0		0.0	0.0		0.0	0.0		0.0

OPERATING EXPENSES

Org. Title:		Overseas Mission Budgets								
Org. No:		FY 2001 Estimate			FY 2002 Target			FY 2003 Target		
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
25.2	Grievances/Investigations	0.0		0.0	0.0		0.0	0.0		0.0
25.2	Insurance and Vehicle Registration Fees	0.0		0.0	0.0		0.0	0.0		0.0
25.2	Vehicle Rental	0.0		0.0	0.0		0.0	0.0		0.0
25.2	Manpower Contracts	0.0		0.0	0.0		0.0	0.0		0.0
25.2	Records Declassification & Other Records Services	0.0		0.0	0.0		0.0	0.0		0.0
25.2	Recruiting activities	0.0		0.0	0.0		0.0	0.0		0.0
25.2	Penalty Interest Payments	2.5		2.5	5.0		5.0	5.0		5.0
25.2	Other Miscellaneous Services	35.0		35.0	35.0		35.0	35.0		35.0
25.2	Staff training contracts	10.0		10.0	15.0		15.0	10.0		10.0
25.2	ADP related contracts	0.0		0.0	0.0		0.0	0.0		0.0
	Subtotal OC 25.2	48.5	0.0	48.5	56.0	0.0	56.0	51.0	0.0	51.0
25.3	Purchase of goods and services from Government accounts	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.3	*** ICASS	445.0		445.0	720.0		720.0	720.0		720.0
25.3	All Other Services from Other Gov't. accounts	0.0		0.0	0.0		0.0	0.0		0.0
	Subtotal OC 25.3	445.0	0.0	445.0	720.0	0.0	720.0	720.0	0.0	720.0
25.4	Operation and maintenance of facilities	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.4	Office building Maintenance	5.0		5.0	5.0		5.0	5.0		5.0
25.4	Residential Building Maintenance	20.0		20.0	15.0		15.0	25.0		25.0
	Subtotal OC 25.4	25.0	0.0	25.0	20.0	0.0	20.0	30.0	0.0	30.0
25.6	Medical Care									
	Subtotal OC 25.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.7	Operation/maintenance of equipment & storage of goods	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.7	ADP and telephone operation and maintenance costs	0.0		0.0	2.0		2.0	2.0		2.0
25.7	Storage Services	0.0		0.0	0.0		0.0	0.0		0.0
25.7	Office Furniture/Equip. Repair and Maintenance	5.0		5.0	5.0		5.0	5.0		5.0
25.7	Vehicle Repair and Maintenance	6.0		6.0	10.0		10.0	10.0		10.0
25.7	Residential Furniture/Equip. Repair and Maintenance	0.0		0.0	0.0		0.0	0.0		0.0
	Subtotal OC 25.7	11.0	0.0	11.0	17.0	0.0	17.0	17.0	0.0	17.0
25.8	Subsistence & spt. of persons (by contract or Gov't.)			0.0			0.0			0.0
	Subtotal OC 25.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

OPERATING EXPENSES

Org. Title: USAID/Armenia		Overseas Mission Budgets								
Org. No: 111		FY 2001 Estimate			FY 2002 Target			FY 2003 Target		
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
26.0	Supplies and materials	20.0		20.0	25.0		25.0	25.0		25.0
	Subtotal OC 26.0	20.0	0.0	20.0	25.0	0.0	25.0	25.0	0.0	25.0
31.0	Equipment	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
31.0	Purchase of Residential Furniture/Equip.	60.0		60.0	195.0		195.0	181.0		181.0
31.0	Purchase of Office Furniture/Equip.	15.0		15.0	40.0		40.0	15.0		15.0
31.0	Purchase of Vehicles	0.0		0.0	18.3		18.3	0.0		0.0
31.0	Purchase of Printing/Graphics Equipment	0.0		0.0	20.0		20.0	0.0		0.0
31.0	ADP Hardware purchases	63.0		63.0	69.3		69.3	76.2		76.2
31.0	ADP Software purchases	22.0		22.0	24.2		24.2	26.6		26.6
	Subtotal OC 31.0	160.0	0.0	160.0	366.8	0.0	366.8	298.8	0.0	298.8
32.0	Lands and structures	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
32.0	Purchase of Land & Buildings (& bldg. construction)	0.0		0.0	0.0		0.0	0.0		0.0
32.0	Purchase of fixed equipment for buildings	0.0		0.0	0.0		0.0	0.0		0.0
32.0	Building Renovations/Alterations - Office	0.0		0.0	0.0		0.0	0.0		0.0
32.0	Building Renovations/Alterations - Residential	0.0		0.0	0.0		0.0	0.0		0.0
	Subtotal OC 32.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
42.0	Claims and indemnities			0.0			0.0			0.0
	Subtotal OC 42.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL BUDGET		2,400.0	0.0	2,400.0	2,806.1	0.0	2,806.1	2,942.4	0.0	2,942.4

Additional Mandatory Information

Dollars Used for Local Currency Purchases

200.0

250.0

300.0

Exchange Rate Used in Computations

555 : \$1 _____

560 : \$1 _____

565 : 1 _____

** If data is shown on either of these lines, you MUST submit the form showing deposits to and withdrawals from the FSN Voluntary Separation Fund.
On that form, OE funded deposits must equal: 0.0 0.0 0.0

*** ICASS cost for FY 2002 & 2003 includes \$275,000 for Security Supplemental, payable by each participating Agency effective FY2002.

Organization: USAID/Armenia

Foreign National Voluntary Separation Account									
Action	FY 2001			FY 2002			FY 2003		
	OE	Program	Total	OE	Program	Total	OE	Program	Total
Deposits Withdrawals	Currently USAID/Armenia does not have Foreign National Voluntary Separation Account								

Local Currency Trust Funds - Regular			
	FY 2001	FY 2002	FY 2003
Balance Start of Year	Currently USAID/Armenia doesn't have Regular Local Currency Trust Funds		
Obligations			
Deposits			
Balance End of Year			

Exchange Rate _____

Local Currency Trust Funds - Real Property			
	FY 2001	FY 2002	FY 2003
Balance Start of Year	Currently USAID/Armenia doesn't have Local Currency Trust Funds -Real Property		
Obligations			
Deposits			
Balance End of Year			

Exchange Rate _____

CONTROLLER OPERATIONS

Org. Title:		Overseas Mission Budgets								
Org. No:		FY 2001 Estimate			FY 2002 Target			FY 2003 Target		
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
11.1	Personnel compensation, full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.1	Base Pay & pymt. for annual leave balances - FNDH			0.0			0.0			0.0
	Subtotal OC 11.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.3	Personnel comp. - other than full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.3	Base Pay & pymt. for annual leave balances - FNDH			0.0			0.0			0.0
	Subtotal OC 11.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.5	Other personnel compensation	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.5	USDH			0.0			0.0			0.0
11.5	FNDH			0.0			0.0			0.0
	Subtotal OC 11.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.8	Special personal services payments	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.8	USPSC Salaries	124.4		124.4	128.0		128.0	131.7		131.7
11.8	FN PSC Salaries	86.9		86.9	102.9		102.9	121.8		121.8
11.8	IPA/Details-In/PASAs/RSSAs Salaries	0.0		0.0			0.0			0.0
	Subtotal OC 11.8	211.3	0.0	211.3	230.9	0.0	230.9	253.5	0.0	253.5
12.1	Personnel benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	USDH benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Educational Allowances			0.0			0.0			0.0
12.1	Cost of Living Allowances			0.0			0.0			0.0
12.1	Home Service Transfer Allowances			0.0			0.0			0.0
12.1	Quarters Allowances			0.0			0.0			0.0
12.1	Other Misc. USDH Benefits			0.0			0.0			0.0
12.1	FNDH Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	** Payments to FSN Voluntary Separation Fund - FNDH			0.0			0.0			0.0
12.1	Other FNDH Benefits			0.0			0.0			0.0
12.1	US PSC Benefits			0.0			0.0			0.0
12.1	FN PSC Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	** Payments to the FSN Voluntary Separation Fund - FN PSC			0.0			0.0			0.0
12.1	Other FN PSC Benefits	2.0		2.0	2.5		2.5	2.5		2.5
12.1	IPA/Detail-In/PASA/RSSA Benefits			0.0			0.0			0.0
	Subtotal OC 12.1	2.0	0.0	2.0	2.5	0.0	2.5	2.5	0.0	2.5
13.0	Benefits for former personnel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	FNDH	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FNDH			0.0			0.0			0.0
13.0	Other Benefits for Former Personnel - FNDH			0.0			0.0			0.0

TABLE Armenia03r2b_co

CONTROLLER OPERATIONS

Org. Title:		Overseas Mission Budgets								
Org. No:		FY 2001 Estimate			FY 2002 Target			FY 2003 Target		
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
13.0	FN PSCs	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FN PSCs			0.0			0.0			0.0
13.0	Other Benefits for Former Personnel - FN PSCs			0.0			0.0			0.0
	Subtotal OC 13.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
21.0	Travel and transportation of persons	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Training Travel	24.0		24.0	20.0		20.0	20.0		20.0
21.0	Mandatory/Statutory Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Post Assignment Travel - to field	4.0		4.0			0.0	4.0		4.0
21.0	Assignment to Washington Travel			0.0			0.0			0.0
21.0	Home Leave Travel	7.0		7.0			0.0			0.0
21.0	R & R Travel			0.0	1.5		1.5	1.5		1.5
21.0	Education Travel			0.0			0.0			0.0
21.0	Evacuation Travel			0.0			0.0			0.0
21.0	Retirement Travel			0.0			0.0			0.0
21.0	Pre-Employment Invitational Travel			0.0			0.0			0.0
21.0	Other Mandatory/Statutory Travel			0.0			0.0			0.0
21.0	Operational Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Site Visits - Headquarters Personnel			0.0			0.0			0.0
21.0	Site Visits - Mission Personnel	5.0		5.0	5.0		5.0	5.0		5.0
21.0	Conferences/Seminars/Meetings/Retreats	5.0		5.0	5.0		5.0	5.0		5.0
21.0	Assessment Travel			0.0			0.0			0.0
21.0	Impact Evaluation Travel			0.0			0.0			0.0
21.0	Disaster Travel (to respond to specific disasters)			0.0			0.0			0.0
21.0	Recruitment Travel			0.0			0.0			0.0
21.0	Other Operational Travel	5.0		5.0	5.0		5.0	5.0		5.0
	Subtotal OC 21.0	50.0	0.0	50.0	36.5	0.0	36.5	40.5	0.0	40.5
22.0	Transportation of things	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22.0	Post assignment freight	25.0		25.0			0.0	25.0		25.0
22.0	Home Leave Freight	5.0		5.0			0.0	25.0		25.0
22.0	Retirement Freight			0.0			0.0			0.0
22.0	Transportation/Freight for Office Furniture/Equip.			0.0			0.0			0.0
22.0	Transportation/Freight for Res. Furniture/Equip.			0.0			0.0			0.0
	Subtotal OC 22.0	30.0	0.0	30.0	0.0	0.0	0.0	50.0	0.0	50.0
23.2	Rental payments to others	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.2	Rental Payments to Others - Office Space			0.0			0.0			0.0
23.2	Rental Payments to Others - Warehouse Space			0.0			0.0			0.0
23.2	Rental Payments to Others - Residences	24.0		24.0	24.0		24.0	24.0		24.0

CONTROLLER OPERATIONS

Org. Title: USAID/Armenia		Overseas Mission Budgets								
Org. No: 111		FY 2001 Estimate			FY 2002 Target			FY 2003 Target		
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
	Subtotal OC 23.2	24.0	0.0	24.0	24.0	0.0	24.0	24.0	0.0	24.0
23.3	Communications, utilities, and miscellaneous charges	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.3	Office Utilities			0.0			0.0			0.0
23.3	Residential Utilities	5.0		5.0	5.0		5.0	5.0		5.0
23.3	Telephone Costs	5.0		5.0	5.0		5.0	5.0		5.0
23.3	ADP Software Leases			0.0			0.0			0.0
23.3	ADP Hardware Lease			0.0			0.0			0.0
23.3	Commercial Time Sharing			0.0			0.0			0.0
23.3	Postal Fees (Other than APO Mail)			0.0			0.0			0.0
23.3	Other Mail Service Costs			0.0			0.0			0.0
23.3	Courier Services			0.0			0.0			0.0
	Subtotal OC 23.3	10.0	0.0	10.0	10.0	0.0	10.0	10.0	0.0	10.0
24.0	Printing and Reproduction			0.0			0.0			0.0
	Subtotal OC 24.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.1	Advisory and assistance services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.1	Studies, Analyses, & Evaluations			0.0			0.0			0.0
25.1	Management & Professional Support Services			0.0			0.0			0.0
25.1	Engineering & Technical Services			0.0			0.0			0.0
	Subtotal OC 25.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.2	Other services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.2	Office Security Guards			0.0			0.0			0.0
25.2	Residential Security Guard Services			0.0			0.0			0.0
25.2	Official Residential Expenses			0.0			0.0			0.0
25.2	Representation Allowances			0.0			0.0			0.0
25.2	Non-Federal Audits			0.0			0.0			0.0
25.2	Grievances/Investigations			0.0			0.0			0.0
25.2	Insurance and Vehicle Registration Fees			0.0			0.0			0.0
25.2	Vehicle Rental			0.0			0.0			0.0
25.2	Manpower Contracts			0.0			0.0			0.0
25.2	Records Declassification & Other Records Services			0.0			0.0			0.0
25.2	Recruiting activities			0.0			0.0			0.0
25.2	Penalty Interest Payments			0.0			0.0			0.0
25.2	Other Miscellaneous Services	3.0		3.0	3.0		3.0	3.0		3.0
25.2	Staff training contracts	2.0		2.0	2.0		2.0	2.0		2.0
25.2	ADP related contracts			0.0			0.0			0.0
	Subtotal OC 25.2	5.0	0.0	5.0	5.0	0.0	5.0	5.0	0.0	5.0

CONTROLLER OPERATIONS

Org. Title: USAID/Armenia		Overseas Mission Budgets								
Org. No: 111		FY 2001 Estimate			FY 2002 Target			FY 2003 Target		
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
25.3	Purchase of goods and services from Government accounts	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.3	ICASS	43.7		43.7	72.0		72.0	72.0		72.0
25.3	All Other Services from Other Gov't. accounts			0.0			0.0			0.0
	Subtotal OC 25.3	43.7	0.0	43.7	72.0	0.0	72.0	72.0	0.0	72.0
25.4	Operation and maintenance of facilities	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.4	Office building Maintenance			0.0			0.0			0.0
25.4	Residential Building Maintenance	5.0		5.0			0.0			0.0
	Subtotal OC 25.4	5.0	0.0	5.0	0.0	0.0	0.0	0.0	0.0	0.0
25.6	Medical Care									
	Subtotal OC 25.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.7	Operation/maintenance of equipment & storage of goods	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.7	ADP and telephone operation and maintenance costs			0.0			0.0			0.0
25.7	Storage Services			0.0			0.0			0.0
25.7	Office Furniture/Equip. Repair and Maintenance			0.0			0.0			0.0
25.7	Vehicle Repair and Maintenance			0.0			0.0			0.0
25.7	Residential Furniture/Equip. Repair and Maintenance			0.0			0.0			0.0
	Subtotal OC 25.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.8	Substance & spt. of persons (by contract or Gov't.)			0.0			0.0			0.0
	Subtotal OC 25.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
26.0	Supplies and materials	5.0		5.0	5.0		5.0	5.0		5.0
	Subtotal OC 26.0	5.0	0.0	5.0	5.0	0.0	5.0	5.0	0.0	5.0
31.0	Equipment	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
31.0	Purchase of Residential Furniture/Equip.			0.0	1.0		1.0	63.6		63.6
31.0	Purchase of Office Furniture/Equip.	2.0		2.0	2.0		2.0	2.0		2.0
31.0	Purchase of Vehicles			0.0			0.0			0.0
31.0	Purchase of Printing/Graphics Equipment			0.0			0.0			0.0
31.0	ADP Hardware purchases	5.0		5.0	5.0		5.0	5.0		5.0
31.0	ADP Software purchases			0.0			0.0			0.0
	Subtotal OC 31.0	7.0	0.0	7.0	8.0	0.0	8.0	70.6	0.0	70.6
32.0	Lands and structures	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
32.0	Purchase of Land & Buildings (& bldg. construction)			0.0			0.0			0.0

CONTROLLER OPERATIONS

Org. Title:		Overseas Mission Budgets								
Org. No:		FY 2001 Estimate			FY 2002 Target			FY 2003 Target		
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
32.0	Purchase of fixed equipment for buildings			0.0			0.0			0.0
32.0	Building Renovations/Alterations - Office			0.0			0.0			0.0
32.0	Building Renovations/Alterations - Residential			0.0			0.0			0.0
	Subtotal OC 32.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
42.0	Claims and indemnities			0.0			0.0			0.0
	Subtotal OC 42.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	TOTAL BUDGET	393.0	0.0	393.0	393.9	0.0	393.9	533.1	0.0	533.1

Additional Mandatory Information

Dollars Used for Local Currency Purchases

20.0

20.0

20.0

Exchange Rate Used in Computations

555 : \$1 _____

560 : \$1 _____

565 : 1 _____

**

If data is shown on either of these lines, you MUST submit the form showing deposits to and withdrawals from the FSN Voluntary Separation Fund.

On that form, OE funded deposits must equal:

0.0

0.0

The residential furniture/equipment in Controller's residence are to be replaced in FY 2003, accordingly the

Note: amount for FY 2003 is high

Accessing Global Bureau Services Through Field Support and Buy-Ins

Objective Name	Field Support and Buy-Ins: Activity Title & Number	Priority	Duration	Estimated Funding (\$000)			
				FY 2002		FY 2003	
				Obligated by:		Obligated by:	
				Operating Unit	Global Bureau	Operating Unit	Global Bureau
SO 111-013-01- Growth of the Competitive Private Sector	RAISE, 936-4224, PCE-I-806-99-00002-00	medium-high	4	1,000		3,000	
	SEGIR, 936-4212, PCE-I-00-97-00039-00	medium-high	3	2,000		2,000	
	Public Utilities/Regulations (still in early planning phase but SEGIR/GBTI may be used)	medium-high	2	2,000		2,000	
SO 111-015-01- A More Economically Sustainable and Environmentally Sound Energy Sector	Energy Efficiency/Renewables: Support in this area is currently provided through a G Bureau mechanism (Energy IQC). It is not clear at this time how related services under this next phase of assistance will be procured.	medium-high	2	2,100		5,400	
	Energy Restructuring: Support in this area is currently provided through a G Bureau mechanism (Energy IQC). It is not clear at this time how related services under this next phase of assistance will be procured.	medium-high	2	0		4,500	
SO 111-016-01 - More Sustainable Water Management for Enhanced Environmental Quality	Integrated Water & Coastal Resources Mgt IQC, ENV-IR1.4, LAG-I-00-99-00018	medium-high	3	1,000		572	
	National Water Follow-on: Support in this area is currently provided through a G Bureau mechanism (IW & CRM IQC). It is not clear at this time how related services under this next phase of assistance will be procured.	medium-high	TBD	0		1,000	
SO 111-021-01 - More Transparent, Accountable and Responsive Democratic Governance	Legislative Strengthening, 932-004, specific contract - TBD	medium-high	2	800		0	
SO 111-034-01 Mitigation of Adverse Social Impacts of the Transition	Measure I (DHS+Data Collection); 936-3083.01, HRN-C-00-97-00019-00	medium-high	1		0		500
SO 111-042-01 Cross-Cutting/Special Initiatives	Integrated Water & Coastal Resources Mgt IQC, ENV-IR1.4, LAG-I-00-99-00017	medium-high	2	296		0	
	START/Participant Training - TBD	medium-high	TBD		2,000		2,000
GRAND TOTAL.....				9,196	2,000	18,472	2,500

NOTE: These are Mission projections of future use of Global mechanisms, NOT a formal commitment to use these mechanisms or the precise funding levels to be provided

Supplemental Information Annexes

ANNEX I: ENVIRONMENTAL IMPACT

1. Notional plan for new/ amended IEE's or EA's

a) Pending IEE's

--NIS Special Initiatives (110-0001): Humanitarian Assistance in Nagorno Karabakh.
Planned submission: March 2001.

--Energy (110-015): This will be an umbrella IEE for the Mission's More Economically and Environmentally Sustainable Energy Sector SO (111-015). It will cover a new procurement phase that includes support for legal and regulatory reforms, commercialization, energy efficiency and demand-side management. Planned submission: March-April 2001.

b) Other actions:

The Mission's SO-level umbrella IEE's cover all activities, most of which involve classes of action that are within the categories listed in paragraph (c)(1) of Section 216.2 of Title 22 CFR 216 and therefore subject to categorical exclusion. For specific activities by SO, the IEE's grant a negative determination where no significant adverse effects are expected, but multiple sites and sub-activities are involved that are not yet fully defined or designed. The umbrella IEE specifies the conditions agreed to regarding an appropriate process of environmental capacity building and screening, mitigation and monitoring.

- For a small and clearly defined set of activities, the IEE's confirms potential for significant adverse effect of one or more activities and makes a positive determination, indicating that appropriate environmental review may be needed and shall be conducted. BEO will be informed and guidance sought when the monitoring and implementation procedures indicate that an EA may be required. Activities affected cannot go forward until an EA is approved.

2. Brief compliance statement for Strategic Objectives

Over the past year, the Mission brought the environmental compliance of its portfolio up-to-date by completing umbrella IEE's for five of its six Sos/SpOs. New Private Sector Growth SO (110-013) activities covered were Agribusiness and other small- and medium-sized enterprise support; Privatization Phase II; Capital Markets Phase II; and Tax, Fiscal and Customs Phase II. The Water SpO (110-016) activity covered was Water Management for Enhanced Environmental Quality. The Democracy/Governance SO (110-021) activities covered were Local Government, NGO/Civil Society, Broadcast Media, Civic Education, Parliamentary Strengthening and Anti-corruption. The Social Sectors SO (110-034) activities covered were the Social Sector Transition contract and grants. The Special Initiatives SpO (110-042) activities covered were the EQZ, the Armenia portion of Regional Water, and drought relief. All other extant portfolio activities are in compliance under prior contract-specific review procedures.

Information Annex Topic: Updated Results Framework

Strategic Objective No. 111-013: Growth of a Competitive Private Sector

Part A. Current Framework

Strategic Objective: Growth of Competitive Private Sector

IR #1: State Owned Holdings Privatized

- preparatory steps for privatization and liquidation of firms completed
- legal/regulatory structures directly related to privatization established

IR #2: Policy, Legal & Institutional Environment Conducive to Private Sector Activity

- comprehensive body of policies/laws establishing appropriate public sector functions/regulation related to private sector activity
- establish and/or strengthen implementing entities/functions

IR #3: Access to Financial Capital Increased

- viable, well-regulated capital market
- competitive, well supervised financial sector
- increased credit to targeted (SME & micro) sectors/enterprises

IR #4: Increased Capacity of Private Enterprises in Selected (Sub) Sectors to Conduct Business

- improved management skills/techniques
- improved technologies adopted
- strengthened business advocacy/associations
- increased capacity of firms to access market

Part B. Framework/Indicator Changes: No changes have been made or are proposed at this time to the SO's results framework. However, as cited in the R4 cover memo and SO Narrative, the Mission may phase-out direct support for privatizations later this FY. If such a decision is made, next year's R4 would present a case for eliminating IR #1 (privatization of state-owned holdings) and folding into IR #2 those aspects of privatization efforts that will continue (e.g., support for the regulation of key sectors and bankruptcy procedures).

As suggested in last year's R4, the Mission has added an indicator to reflect the number of jobs attributable to USAID's assistance to specific sub-sectors and firms. In order to stay within the indicator limits, a Performance Data Table (PDT) is no longer provided for the SO-level indicator: private sector share of GDP. (The Mission will continue to report on private sector share of employment.) In addition, as cited in the previous R4, a table for the number of "key" enterprises privatized has replaced one for the total number of privatizations/liquidations. This change reflects the importance of privatizing of the relatively small number of enterprises still held by the state that have a some potential to successfully generate significant levels of income and jobs, which has become the focus of USAID's related assistance over the last year. If USAID does phase-out direct assistance for privatizations, the PDT for "key" privatizations will likely be dropped in future R4s (if not next year, then the following). A PDT will then be added related to IR #3 (access financial capital increased)—probably for credit to the non-banking

sector or the EBRD's banking reform and interest rate liberalization index.

Strategic Objective No. 111-015: A More Economically Sustainable and Environmentally Sound Energy Sector

Part A: Current Framework

Strategic Objective: A More Economically Sustainable and Environmentally Sound Energy Sector

IR1: Increased Private Sector Participation

- restructured energy sector
- independent and effective regulatory commission
- legislation promotes private sector participation

IR #2: Increased Economic and Environmental Efficiency

- market-driven tariff in place
- strengthened commercial operation
- energy efficiency/savings and demand-side management projects realized
- legislation/policies in place to promote a more environmentally sound sector

IR #3: More Diversified Energy Sources

- selected public/private energy projects, including to replace the ANPP, realized
- increased regional energy sector cooperation and trade

Part B. Framework/Indicator Changes: No changes have been made or are proposed at this time to the SO's results framework.

As mentioned in last year's R4, the Mission may introduce an indicator to reflect the diversification of energy sources in future submissions. Such an indicator is likely to be included in next year's R4, based on analysis of the definition, baselines and targets under a new USAID activity, scheduled to start in the spring of this year. In this case, in order to stay within established limits, the next R4 will drop the Performance Data Table (PDT) for one of two indicators: sector revenues attaining full cost recovery or collections from end-users. Finally, assuming that the distribution companies are privatized in 2001, next year will be the last year in which the PDT for the related indicator will be included in the R4. Thereafter, the Mission will probably introduce to its R4 a PDT for a similar indicator related to the privatization of generation facilities.

Special Objective No. 111-016-01: More Sustainable Water Management for Enhanced Environmental Quality

Part A. Current Framework

Strategic Objective: More Sustainable Water Management for Enhanced Environmental Quality

Intermediate Result #1: National Policy and Institutional Framework for Water Management Improved

Intermediate Result #2: Water Quality and Quantity Monitoring Systems Rehabilitated

Intermediate Result #3: Local-Level Capacity Increased to Develop and Implement Market-Based Solutions to Water Management Problems (in selected pilot areas)

Part B. Framework/Indicator Changes: No changes have been made or are proposed at this time to the SpO's results framework. The illustrative indicators cited in last year's R4 remain valid. Due to the recent start-up of activity under this SpO, analysis is just underway to finalize the objective's performance monitoring plan, confirm indicators that will be reported on in the R4, and establish baselines and targets. This work is scheduled to be completed this summer. Tentatively, the Mission expects to include Performance Data Tables in its next R4 related the establishment and/or strengthening of key water sector institutions, improved water quantity and quality indicators at pilot intervention sites, the status of legal and policy reforms, and the amount and quality of water data available to water sector managers/planners.

Strategic Objective No. 111-021-00: More Transparent, Accountable and Responsive Democratic Governance

Part A. Current Framework

Strategic Objective: More Transparent, Accountable and Responsive Democratic Governance

IR #1: Increased Citizen Participation in Policy Development and Oversight of Government

LLIR: citizens understand and act on their rights and responsibilities

LLIR: more developed and broad-based NGOs

IR #2: Availability of Multiple Sources of Information and Analysis

LLIR: strengthened independent media

LLIR: improved dissemination of government information

LLIR: more developed and broad-based NGOs

IR #3: More Responsive and Effective Local Government

LLIR: more effective and transparent management systems

LLIR: local government is more accessible to citizens

LLIR: legal framework supports decentralization

IR #4: More Responsive and Effective Parliament

LLIR: more effective internal management systems

LLIR: increased citizen access to the legislative process

IR #5: Transparent, dependable and effective legal system

LLIR: legal and regulatory framework supports the rule of law

LLIR: courts are run efficiently and transparently

LLIR: legal professionals are held to high ethical and professional standards

LLIR: court executors service runs efficiently

Part B. Framework/Indicator Changes: No changes have been made or are proposed at this time to the SO's results framework.

As required by this year's guidance, an SO level indicator was added to this year's data tables. In order to adhere to the guidance to include only four indicator tables each year, next year, the indicator on the passage of the judicial code of ethics will not be reported on. The Mission feels that although this is important, and passage is expected in 2001, it is not a good indicator of overall progress toward achievement of the objective. All of the other indicators reported on in this year's R4 will be included next year.

Strategic Objective No. 111-034-00: Mitigation of the Adverse Social Impacts of the Transition

Part A. Current Framework

Strategic Objective: Mitigation of the Adverse Social Impacts of the Transition

IR #1: Foundations Established for Implementing Sustainable Social and Health Insurance Systems

IR #2: Improved Mobilization, Allocation and Use of Social Assistance and Health Care Resources

- legislative and policy reforms enacted and implemented which promote more effective social assistance and primary health care programs
- increased government capacity to plan for, monitor, and evaluate social assistance and primary health care services
- Improved capacity of the private sector to provide social and health care services and information
- increased citizen awareness of and participation in health care and social service delivery mechanisms

IR #3: Nutrition, Shelter and Primary Health Care Services Provided

- nutrition, shelter and primary health care services provided to the vulnerable in selected regions
- increased access to health and family planning related services

IR #4: Short-term Employment Available in Selected Regions

Part B. Framework/Indicator Changes: Based on discussions with USAID/Washington, a few minor changes have been made to simplify the framework. Specifically, the lower level IRs under IR 1, Foundations Established for Implementing Sustainable Social and Health Insurance Systems, have been eliminated. The essence of these lower level IRs are captured instead in the indicators used to measure progress toward achievement of the IR. The IR, Increased Access to and Quality of Social Services and Primary Health Care in Selected Regions, was eliminated as it added an unnecessary layer of complexity to the framework. In its place, the two lower-level IRs were modified and moved to the IR level. One measures the framework in place for the provision of social assistance and primary health care (Improved Mobilization, Allocation and Use of Social Assistance and Health Care Resources) and the other measures the actual delivery of social assistance and primary health care services (Nutrition, Shelter and Primary Health Care Services Provided).

At the time of the submission of last year's R4, the performance monitoring plan for this new objective was not yet finalized. Therefore, at that time, the Mission proposed only illustrative indicators. In conjunction with E&E bureau staff and based on the feasibility of data collection, the PMP has been fleshed out. Now that the program is fully in place and work plans have been established, appropriate indicators for R4 reporting have been selected which will be most indicative of progress in the coming years. They include:

- 1) Decreased financial barriers to accessing health care (Percentage of respondents that reported having a medical problem within the last year, but did not seek a medical professional for the last such problem because of a lack of money):

Baseline (2000)	2001	2002	2003
83%	72% *	61% *	50%*

* Note: Data for 2000 is from a USAID-funded demographic and health survey (DHS). Interim data for 2001, 2002, and 2003 will be from a PADCO survey and, although not as comprehensive as the DHS survey, will help track general trends in the interim period. A second DHS will be conducted in 2004.

- 2) Development and implementation of a personified tracking system of benefits (3 step process):

Baseline (2000)	2001	2002	2003
0	Step 1	Step 2	Step 3

- 3) Key laws and reforms enacted and implemented (to promote more effective social assistance and primary health care – scores range from 0-56):

Baseline (2000)	2001	2002	2003
14	23	36	56

- 4) Number of vulnerable receiving USAID- funded nutrition, shelter, and primary health care information and services:

Baseline (2000)	2001	2002	2003
0	380,920	223,390	74,190

Special Objective No. TBD: Households Living in Inadequate Shelter as a Result of the 1988 Earthquake Reduced

Part A. Current Framework

In accordance with guidelines established in the ADS and in support of the US interest in and the Government of Armenia's objective to promote rehabilitation of the earthquake zone, the Mission proposes to establish a three-year, \$30 million Earthquake Zone Rehabilitation program. ADS 201.3.4.6 establishes that "Special Objectives may be justified when the objective sought ...represents a response to a legislated earmark or special foreign policy interest beyond what is described in the Agency Strategic Plan or that does not contribute directly to an Operating Unit's Strategic Objectives." The earthquake zone rehabilitation program does not meet a specific Agency or Mission strategic objective or goal. It was developed in response to Congressional, Diasporan and GOA interest in the rehabilitation and reconstruction of the earthquake zone regions of Armenia. The GOA has a special interest in this program. The public sees the region as a "disaster zone" and the government has maintained a standing commitment since the time of the earthquake to re-house the victims in permanent housing. A Special Objective is justified, therefore, because the program represents a response not only to a legislated earmark, but also to a special foreign policy interest, that of assisting the GOA in meeting one of its highest priorities for the country.

The ADS also establishes that Special Objectives are expected to be small in scope, have a clearly defined time frame and expected results, include a proposal for evaluating results, and an estimated budget. The proposed program is narrow in scope, focusing only on re-housing victims of the 1988 earthquake and includes very specific results – re-housing 7,000 households who are still living in temporary shelters as a result of the 1988 earthquake. Results will be achieved in a 2- to 3-year timeframe and the overall SpO cost is estimated at \$30 million (out of a projected three-year Mission budget of over \$200 million). The Mission has developed a preliminary results framework with indicators as described below. As such, the planned program meets all of the ADS 201.3.4.6 requirements for the establishment of a special objective. Additionally, moving this activity into its own special objective (from Special Objective 4.2 – Cross-cutting/Special Initiatives), will ensure that an appropriate level of attention is focused on it, that the level of funding provided for the program does not distort the level of funding being provided under SpO 4.2, and that a monitoring and evaluation plan are in place to ensure appropriate oversight and results review.

A detailed performance monitoring plan, to include indicator baselines and targets, will be developed after approval of this Special Objective and development of implementation mechanisms.

Intermediate Result #1: Beneficiaries Re-housed from Private Real Estate Market

Intermediate Result #2: Pre-existing Housing Improved

Part B. Framework/Indicator Changes: The following indicators are illustrative examples of what might be reported on next year. Actual indicators, including baseline and targets will be refined once the program is procured and the implementation plan developed.

1) Percentage of households provided with permanent adequate shelter (SO level indicator)

Baseline (2000)	2001	2002	2003
0.7%	10%	22%	35%

2) Number of temporary shelters removed (SO level indicator)

Baseline (2000)	2001	2002	2003
93	2600	5600	9000

3) Number of households re-housed through housing certificates

Baseline (2000)	2001	2002	2003
166	925	2425	4425

4) Number of households provided with adequate, permanent shelter through housing improvement grants

Baseline (2000)	2001	2002	2003
0	50	550	1900

Information Annex Topic: Institutional and Organizational Development

*Please refer to separate Excel files “**Institutional Development.xls**” located in the folder “Country03R2B_Data”*

Information Annex Topic: Institutional and organizational development

What the information annex will be used for: prepare the cross-cutting theme chapter of the FY 2000 Performance Overview. The 2000 revision of the Agency Strategic Plan includes five cross-cutting themes in addition to the six Agency goals and the management goal. It also includes a commitment to report on one of the themes in depth in the Performance Overview each year. Institutional and organizational development has been chosen as the theme to be reported on in the 2000 Performance Overview.

requested:

- * support for institutional and organizational development is systematically programmed in results frameworks for the majority of Agency OUs;
- * support for institutional and organizational development systematically cross-cuts Agency goal areas in OU programs;
- * institutional and organizational development support is provided to public sector, private for-profit and private non-profit organizations consistent with program objectives;
- * a variety of types of capacity-building (e.g., financial accountability and sustainability, management and leadership, service delivery, political advocacy, technical expertise) is being supported.

Guidelines for Identifying Institutional Capacity Development. An institutional development IR should contain two elements: (1) the name of the overarching institution concerned and (2) the change taking place. IRs Institutions are defined as the "rules of the game" and the measures for enforcing those rules. In other words, for our purposes, institutions refer to the broad political and economic context within which development processes take place. These include policies, laws, regulations, and judicial practices. They also refer to less tangible practices like corruption, presence or lack of transparency and accountability. The rules and norms we are concerned with are political and economic, not social. Not every IR about policy is to be called institutional development. If the IR is about adopting/implementing a specific policy, it is not institutional development-- it falls under the goal area for the sector it addresses. Include only IRs about changing the general policy environment or improving the policy-making process. An IR that refers to the strengthening of a body of people who work together is actually organizational development not institutional, even if the IR says "in

Guideline for Identifying Organizational Capacity Development IRs. The IR should have these elements: (1) It must name or allude to a specific organization or type of organization (an organization is a group of individuals bound by some common purpose to achieve objectives) and (2) it has to how or what action is being done to develop the organization.

Institutional development

Verification	Objective ID	IR No.	IR Name	Indicators	Public sector	Private for profit	Private non-profit	Comments
N	111-013	IR 13.2	Policy, legal and institutional environment conducive to private sector activity	Euromoney Risk Index; EBRD Governance and Enterprise Restructuring Index	Y	Y	N	May not meet the definition since it does not name the institution, but this IR includes many activities related to institutional development. Involved institutions/organizations include those dealing with customs, tax, accounting, land titling/real estate, government procurement
Y	111-013	IR 13.4	Increased capacity of private enterprises in selected (sub) sectors to	sales, exports, jobs	N	N	Y	
N	111-015	IR 15.1	Increased private sector participation	private ownership	Y	N	N	May not meet the definition since it does not name the institution, but this IR includes many activities related to institutional development. Involved institutions/organizations include the Ministry of Energy (MOE), Energy Regulatory Commission (ERC) and the
N	111-015	IR 15.2	Increased economic and environmental efficiency	collection rates, energy savings	Y	N	N	May not meet the definition since it does not name the institution, but this IR includes many activities related to institutional development. Involved institutions/organizations include the MOE, ERC, local energy service companies and
N	111-016	IR 16.1	National policy and institutional framework for water management improved	legislation/policies enacted, institutions established/strengthened	Y	N	Y	May not meet the definition since it does not name the institution, but this IR includes many activities related to institutional development. Involved institutions/organizations include the Ministries of Environment, Agriculture and Health, HydroMet and National Academy of
N	111-016	IR 16.3	Local-level capacity increased to develop and implement market-based solutions to water management problems in	# of projects implemented	Y	Y	Y	May not meet the definition since it does not name the institution, but this IR includes many activities related to institutional development. Involved institutions/organizations likely to include

Institutional development

Y	111-021	IR 21.3	More responsive and effective local government	Rate of citizen satisfaction with local government, increased revenue collection, public budget hearings, use of citizen	Y	N	N	
X	111-021	IR 21.11	Increased government accountability and responsiveness to citizens	Not Applicable				Results framework was modified. The institutional or organizational aspects of this former IR is now incorporated under IR 21.4, and 21.3.
N	111-021	IR 21.5	Transparent, dependable and effective legal system	administrative procedures act, Judicial Independence, case flow management, personnel system, court enforcement	Y	N	Y	Although the result does not name the institution assisted, activities include institutional and organizational development, assisting the Ministry of Justice, the Court of Cassation, the Council of Court Chairs, professional legal associations/unions, legal
N	111-021	IR 21.1	Increased citizen participation in policy development and oversight of government	NGO Sustainability Index overall score, NGO Sustainability Index advocacy score	N	N	Y	Although the result does not name the institution assisted, the activities which support this result are involved with the organizational development of local NGOs.
Y	111-021	IR 21.4	More responsive and effective Parliament	Indicators not yet developed	Y	N	N	Program is currently being designed
X	111-022	IR 22.1	Enactment of effective and fair laws and regulations that protect civil and economic rights	Not Applicable				Results framework was modified. The institutional or organizational aspects of this former IR is now incorporated under IR 21.5, above.
X	111-022	IR 22.2	Regulatory agencies administer the laws impartially	Not Applicable				Results framework was modified. The institutional or organizational aspects of this former IR is now incorporated under IR 21.5, above.
X	111-022	IR 22.3	The judicial branch is independent of other branches of government	Not Applicable				Results framework was modified. The institutional or organizational aspects of this former IR is now incorporated under IR 21.5, above.
N	111-034	IR 34.1	Foundations in place for sustainable social and health insurance systems	Increased government capacity, increased utilization of information systems	Y	N	N	Although the result does not name the institution assisted, the activities which support this result are involved with institutional and organizational development, assisting the Ministry of Health, the Ministry of Social Security, the National Statistical Service and the Social

Institutional development

Y	111-034	IR 34.2	Improved mobilization, allocation and use of social assistance and health care resources	Improved health management information systems, quality assurance standards, ratio of administrative to program costs	Y	Y	Y	Although the result does not name the institution assisted, the activities which support this result are involved with institutional and organizational development, assisting the Ministry of Health, the State Health Agency, the Ministry of Social Security, and the National Statistical Service, local service delivery

Global Climate Change

USAID/ARMENIA

Activities and Achievements According to Each Climate Change Indicator

USAID/Armenia does not have in its current energy portfolio activities that are specifically targeted at GCC/GHG reduction. Nevertheless, the numerous activities targeted at improvement of commercial and technical operations of the energy sector have an indirect impact on the GCC initiative. Below is the list of activities and achievements made by each global climate change indicator during FY 2000.

Indicator 1: Emissions of Carbon Dioxide Equivalents Avoided, due to USAID Assistance:

Energy Service Companies (ESCO) Development Program (AEAI):

The objectives of the activity are demonstrating a cost-effective, energy efficient alternative to heating municipal buildings with electricity or kerosene. Heating with natural gas fired boilers is more environmentally sound as well as economically more efficient than the reliance on electricity for heating due to lesser (by approximately 15 – 17%) amount of natural gas that is required to be burned to reach the same effect as with using electrical heating systems. Thus this activity has demonstrated a cost-effective alternative heating system, which allows reducing emissions of carbon dioxide accordingly by 15 – 17%.

Four schools have been selected for demonstration heating systems/ weatherization work, which includes installing new energy -efficient boilers, upgrade of existing heating water distribution systems, and weatherization of the buildings to reduce air infiltration. The ESCOs were provided with training in energy efficiency financing and project management prior to beginning the installation work. The demonstration project has been completed at the end of the second quarter of FY 2000. No data are available yet on the MWH saved or CO2 emissions avoided due to the project.

Armenia Electricity and Gas Sector Reform Project (TO#13 PA Consulting):

The objective of the activity is to support the restructuring and privatization process in the Armenian power sector. Additionally, it has a subtask focused on implementation of a pilot project for demonstration of cost-effectiveness and environmental benefits of using a natural gas fired boilers for heating the apartment buildings. Two apartment buildings have been selected for the demonstration project. Individual gas fired boilers have been installed in each apartment (approximately 80 apartments in total) of these two buildings. Appropriate training has been provided to the project customers for maintenance of the installed boilers. The project has demonstrated a cost-effective and an environmentally sound system for apartment buildings' heating that, in comparison with electrical heating system used at the moment, allows reduction of carbon dioxide emissions by 15-17% due to lesser amount of natural gas fired to reach the same effect. The demonstration project has been completed by May 2000. No data are available yet on the MWH saved or CO2 emissions avoided due to the project.

Indicator 3: National / Sub-National Policy Advances in the Energy Sector, Industry and Urban Areas that Contribute to the Avoidance of Greenhouse Emissions:

Armenia Power Supply / Demand Side Management (TO#9 PA Consulting):

A DSM screening tool was developed that evaluates specific possible measures for their technical and cost-effectiveness in the Armenian environment. The model uses Armenian data and information and can be used to screen DSM measures for various users during program design and before implementation. This allows a number of alternative energy efficiency measures to be investigated for cost effectiveness and technical feasibility prior to actual program implementation.

Additionally, a renewable energy assessment has been completed for Armenia energy sector, and a heating supply strategy has been developed for Armenia based on use of more economically efficient and environmentally sound heating systems that would allow for the reduction of net greenhouse gas emissions from the energy sector, industry and urban areas. In early 2000, a report on energy efficiency financing vehicles has been prepared and presented to the Government of Armenia.

The Least Cost Generation Plan prepared by the Government of Armenia was reviewed, critiquing its techniques and assumptions on the load forecast and new technologies, also a revised LCG Plan prepared by the USAID/Armenia contractor (PA Consulting) was completed. Each Plan focuses upon and proposes the development of energy efficiency and renewable energy projects that will decrease greenhouse gas emissions. Data were collected on O&M and generation rehabilitation costs, which will be used to enhance current dispatch model specification.

In addition to the above the following analysis/assessments have been completed in early FY 2000 that contribute to the subject GCC indicator:

- Rehabilitation needs analysis of one of the most important Armenian hydropower cascades, the Vorotan Cascade, which included a thorough technical survey of all construction works and equipment.
- Assessment of Arpa-Sevan Tunnel was completed. This tunnel is designed to maintain the existing ecosystem of the Sevan Lake with regard to stabilizing its water balance, thus enabling to use the lake outflow for electric power generation on one of the largest Armenia hydropower plant cascade on Hrazdan river.
- Armenia Dam Safety report.
- Evaluation of Armenia potential Hydro Generation sites.

Armenia Electricity and Gas Sector Reform Project (TO#13 PA Consulting): Assistance was provided to the GOA in the tender process to seek a strategic investor for privatization of the distribution companies. Draft grid code (i.e., a set of operational standards and market rules) to govern the operation of the power sector was developed and presented through a series of seminars, presentations and in-depth discussions with counterparts.

Strengthening Regional Energy Linkages:

This activity is designed to promote greater cooperation in the energy sector of the Caucasus countries. The project's primary objective is to develop better awareness among the governments and utilities within each nation about the benefits that can be achieved through closer cooperation in the energy field, and the steps to be taken to gain these benefits. Interconnection of the Caucasus countries' power systems will significantly improve commercial operation of the system and reduce the level of thermal power plants' generated electricity.

Renewable Energy Application & Training/Wind (NREL):

This activity is designed to conduct feasibility analysis of wind systems in Armenia, especially the extent to which they might have enough generating capacity to make grid-connections feasible. Work has begun for preparation of the wind energy resource maps for Armenia, and for assessment of the wind energy resource on a micro-scale level for identified areas using wind resource monitoring equipment.

Indicator 4: Strategies/Audits that Contribute to the Avoidance of Greenhouse Gas Emissions

N/A

Indicator 5: Value of Public and Private Investment Leveraged by USAID for Activities that Reduce Greenhouse Gas Emissions

N/A

Indicator 6a: Increased Capacity to Address Global Climate Change Issues

ESCO Development / English Technical Language Training (ACAEE):

A small scale activity has been implemented to enhance the local ESCOs capabilities with respect to providing energy efficiency services in a commercial environment through providing them with introductory business management skills training as well as with technical English language training to enhance their capabilities to communicate with international partners. Forty students, the representatives of local ESCOs and energy NGOs, have passed the graduation exams and received a certificate of energy managers.

Indicator 6b: Technical Capacity Strengthened through Workshops, Research, and/or Training Activities

Throughout FY 2000 technical assistance was provided in the form of evaluations, assessments and training programs designed to facilitate competitive energy markets and market-based energy prices, the use of renewable energy resources. Several local energy services companies were trained to implement weatherization works. A series of energy management training courses were conducted for energy sector specialists. To improve the commercial operations of the entities of the Armenian power sector, assistance in implementing new accounting practices in the six chosen energy enterprises was provided. In order to help strengthen its institutional capacity, serious support was provided to the Armenian Energy Regulatory Commission (AERC) in developing its internal rules and procedures. Assistance was provided to help the AERC

license most of the power sector enterprises. In the area of legal reform the new Energy Law was drafted and presented to counterparts. The ratification of the new Energy Law by the Armenia National Assembly is expected by early 2001.

Planned New Initiatives

The following are the activities planned by the Mission for implementation during FY01-FY03:

Energy Efficiency / Demand Side Management / Renewable Energy Sources Development Project (follow-on):

This will be an expansion of USAID/Armenia previous activities in the area of DSM, energy efficiency and renewable energy sources development. Pilot projects in development of renewable energy sources as well as in weatherization and heating system rehabilitation are anticipated to be implemented under the program.

Armenia Electricity and Natural Gas Reform Program (follow-on):

Continued support will be given to the Government of Armenia in its efforts towards the energy sector restructuring that includes legislation, related to the completion of and follow-up to distribution companies' privatization and laying groundwork for the privatization of Armenia energy sector generation entities privatization; strengthening the AERC in its ability to issue licenses and generate self-financing; and development and implementation of Armenia wholesale power market.

(The required “GCC Data Table.xls” are Excel worksheets in a separate folder named Country03R2B_data; the file must be opened and printed separately.)

FY00 Climate Change Reporting Guidance - Data Tables		
Please fill in the YELLOW cells to complete the table.		
Table 1.0 - Background Information		
	Country, Region, Office, or Program Reporting: (Type in the exact spelling of the appropriate entry from table below)	Armenia, E&E, Economic Restructuring Office
	Telephone number:	(374-1) 151-955
Name of person(s) & IR Teams completing tables:	Name #1:	Artak Vardanian
	SO Team Name and number1:	SO1.5 - A More Economically Sustainable and Environmentally Sound Energy Sector; SpO1.6 - More Sustainable Water Management for Enhanced Environmental Quality
	Name #2:	Michael Boyd
	SO Team Name and number2:	SO1.5 - A More Economically Sustainable and Environmentally Sound Energy Sector; SpO1.6 - More Sustainable Water Management for Enhanced Environmental Quality
	Name #3:	Barry Primm
	SO Team Name and number3:	SO1.5 - A More Economically Sustainable and Environmentally Sound Energy Sector; SpO1.6 - More Sustainable Water Management for Enhanced Environmental Quality
Contact	Address (1):	EREO
	Address (2):	USAID/Armenia
	Street:	18 Bagramian St.
	City, Address Codes:	Yerevan 375019, Armenia
	Telephone number:	(374-1) 151-955
	Fax number:	(374-1) 151-131
	Email address:	avardanian@usaid.gov; mboyd@usaid.gov
	Other relevant information:	

Country / Region / Office / Program Reference Table		
AFR/SD – CARPE	G/ENV/UP	Mozambique
AFR/SD – FEWS	G/ENV/ENR	Nepal
Albania	G/ENV/GCC	Nicaragua
Armenia	G/ENV/UP	NIS Regional
Bangladesh	Georgia	Panama
Bolivia	Guatemala	Paraguay
Brazil	Guinea	Peru
Bulgaria	Honduras	Philippines
CEE Regional	India	Poland
Central America (G-CAP)	Indonesia	RCSA
Central Asia Republics	LAC/RSD	Romania
East Asia Environmental Initiative	Lithuania	Russia
Ecuador	Macedonia	South Africa
EGAD	Madagascar	South Asia Regional Initiative
Egypt	Malawi	Uganda
G/ENV/EET	Mali	Ukraine
G/ENV/ENR	Mexico	US-AEP
G/ENV/GCC	Moldova	

Please fill in the YELLOW cells to complete the table.

TABLE 1.1						
Result 1: Increased Participation in the UNFCCC						
Indicator 1: Policy Development Supporting the Framework Convention on Climate Change						
PLEASE SEE DEFINITIONS BELOW						
Policy Measure	STEP 1: Policy Preparation and Presentation	STEP 2: Policy Adoption	STEP 3: Implementation and Enforcement	List Activities Contributing to Each Policy Category	SO Number for Activity	CN/TN Number for Activity
Ex: Integration of climate change into national strategic, energy, and sustainable development strategies	1	1		Gov't-established interagency group has completed all necessary analysis and preparation to develop NEAP. The government has also signed Annex b of the FCCC.	3.2	CN-23-222
Integration of climate change into national strategic, energy, and sustainable development strategies	0	0	0			
Emissions inventory	0	0	0			
Mitigation analysis	0	0	0			
Vulnerability and adaptation analysis	0	0	0			
National Climate Change Action Plan	0	0	0			
Procedures for receiving, evaluating, and approving Activities Implemented Jointly (AIJ) proposals	0	0	0			
Procedures for monitoring and verifying greenhouse gas emissions	0	0	0			
Growth baselines for pegging greenhouse gas emissions to economic growth	0	0	0			
Legally binding emission reduction targets and timetables	0	0	0			
Other (describe)						
Other						
Other						
Other						
Other						
Sub-total (number of policy steps achieved):	0	0	0			
	TOTAL (number of policy steps achieved):					
			0			

Definitions: Policy Steps Achieved	
Policy Measure	"Policy measures" may include documentation demonstrating a legal, regulatory, or other governmental commitment to a defined course of action. Thus, for example, "policy measures" would include: a national, state, provincial, or local law; a regulation or decree; guidance issued by an agency, ministry, or sub-national body; a land use plan; a National Environmental Action Plan; a Climate Change Action Plan; or a National Communication to the IPCC. The term "policy measures" does not include technical documentation, such as technical reports or land use maps, nor site-specific activities reported under Indicators 1 and 2 (e.g., legal demarcation of individual site or granting of community access to single location).
Policy Preparation and Presentation (Step 1)	Draft bill, policy or regulation, vetted through relevant stakeholders in government, non-government, the private sector and civil society, and introduced for debate in appropriate legislative, regulatory, or governmental body.
Policy Adoption (Step 2)	Policy intervention is approved and adopted by the appropriate administrative agency or legislative body. Can take the form of the voting on a law; the issuance of a decree, etc.
Policy Implementation and Enforcement (Step 3)	Actions that put the policy interventions into effect, such as agency personnel trained in procedures, appropriate institutions created or strengthened, or legislation implemented through the appropriate government agency.
Definitions: Types of Activities	
Adaptation	Adjustments in practices, processes or structures of systems to projected or actual changes of climate (may be spontaneous or planned).
Emissions inventory	Detailed listing of GHG sources and sinks.
Growth Baselines	An approach that would link countries' emissions targets to improvements in energy efficiency.
Joint Implementation (JI)	The process by which industrialized countries can meet a portion of their emissions reduction obligations by receiving credits for investing in GHG reductions in developing countries.
Mitigation	An action that prevents or slows the increase of greenhouse gases (GHGs) by reducing emissions from sources and sinks.
National Climate Change Action Plan	Plans that delineate specific mitigation and adaptation measures that countries will implement and integrate into their ongoing programs. These plans form the basis for the national communications that countries submit to the UNFCCC Secretariat.

Please fill in the YELLOW cells to complete the table.

TABLE 1.2					
Result 1: Increased Participation in the UNFCCC					
Indicator 2: Increased capacity to meet requirements of the UNFCCC					
	Types of Support Provided (Enter the number of Training/TA activities for each category)				
Categories	Training	Technical Assistance	List the Activities that Contribute to Each Capacity Building Category	SO Number for Activity	CN/TN Number for Activity
Ex: Support for joint implementation activities	1	3	Provided training and assistance in the economic and financial evaluation of energy efficient projects for consideration in JI activities.	2.4	CN-23-222
Monitoring and verifying GHG emissions	N/A	N/A			
Growth baselines for pegging GHG emissions to economic growth	N/A	N/A			
Development of emissions reduction targets and timetables	N/A	N/A			
Support for joint implementation activities	N/A	N/A			
Support for Vulnerability and Adaptaion Activities	N/A	N/A			
Other (describe)					
Other					
Other					
Other					
Other					
Total number of points for Training/Technical Assistance:	0	0			

Please fill in the YELLOW cells to complete the table.

TABLE 2.1													
Result 2: Reduced Net Greenhouse Gas Emissions from the Land Use/Forest Management Sector													
Indicator 1: Area where USAID has initiated interventions to maintain or increase carbon stocks or reduce their rate of loss													
Indicator 2: Area where USAID has achieved on-the-ground impacts to preserve, increase, or reduce the rate of loss of carbon stocks													
PLEASE SEE DEFINITIONS BELOW													
USAID Activity Name	Location			Indicator 1			Indicator 2 Area where USAID has conserved carbon (hectares)			Additional information you may have (see codes below)	SO Number for Activity	CNTN Number for Activity	Justification for Including Site
	Country	Region, Province, or State	Site	Principal Activities (see codes below)	Area where USAID has initiated activities (hectares)	Predominant Vegetation type (Codes below)	Indicator 2a		Indicator 2b				
							Natural ecosystems	Pedominant Managed Land Type (Codes Below)	Managed lands				
Tapajos National Forest Project	Brazil	Para	Tapajos National Forest	1	595,000	A	595,000			1, 2, 3, 5	1	CN-23-222	Site of Tapajos project was included on the basis of demonstrated progress in forest conservation and resulting carbon sequestration benefits.
				2	5,000	A		3	400				
N/A													
Total area (hectares):				0	Total area:		0	Total area:		0			
Note: If you need to list more than 45 individual entries in this table, please create a second copy of this spreadsheet, following the instructions at bottom.													

Codes for Land Use and Forestry Sector										
Principal Activities:		Predominant Vegetation Type:				Predominant Managed Land Type:		Codes for Additional Information:		
1	Conservation of natural ecosystems (may include protected area management, extraction of non-timber products, etc. but <i>not</i> timber harvesting.)	A	Tropical evergreen forest		H	Tropical grassland and pasture	1	Agricultural systems: Less than 15% of the area under trees	1	Maps
2	Sustainable forest management for timber using reduced-impact harvesting (non-timber forest products may also be harvested)	B	Tropical seasonal forest		I	Temperate grassland and pasture	2	Agroforestry systems: Greater than 15% of the area under trees	2	Geo-referenced site coordinates
3	Afforestation/reforestation/plantation forests	C	Temperate evergreen forest		J	Tundra and alpine meadow	3	Plantation Forests: At least 80% of the area under planted trees	3	Biomass inventory
4	Agroforestry	D	Temperate deciduous forest		K	Desert scrub	4	Protected areas	4	Rainfall data
5	Sustainable agriculture	E	Boreal forest		L	Swamp and marsh			5	Soil type data
		F	Temperate woodland		M	Coastal mangroves				
		G	Tropical open forest / woodland		N	Wetlands				

Definitions: Natural Ecosystems	
Natural Ecosystems	Any areas that have not experienced serious degradation or exploitation of biomass, and without significant harvest of biomass. This includes protected areas, areas used for the extraction of non-timber forest products, and community-managed forests with minimal timber extraction. Areas where non-timber forest products are harvested can be counted in this category but not those that are managed for timber. The latter are included in 2b below. The distinction is important as different approaches are employed in estimating carbon for "natural areas" (2a) and "managed areas" (2b). Natural areas include: (1) protected areas; (2) areas where non-timber forest products are extracted if significant biomass is not removed (often managed as community-based forest management areas); and (3) any other areas which exclude larger-scale biomass harvest from a management regime including many areas managed by communities and/or indigenous groups.
Definitions: Managed Lands Categories	
Sustainable Forest Management for Timber, using Reduced Impact Harvesting (RIH)	<p>A timber management activity will be considered to have a positive impact on carbon (relative to conventional methods) if it employs RIH practices and/or other key criteria. RIH is a package of practices proven to minimize environmental damage and carbon emissions during the logging of natural tropical forest. To be included, an activity must include most of the following practices:</p> <ul style="list-style-type: none"> - tree inventorying, marking and mapping; - careful planning and marking of skidder trails; - vine cutting prior to harvest, where appropriate; - directional felling of trees; - appropriate skidding techniques that employ winching and best available equipment (rubber tired skidder/animal traction) to - proper road and log deck construction; - a trained work force and implementation of proper safety practices; - fire mitigation techniques (fire breaks); - existence of a long-term management plan. <p>Report on the area where government, industry or community organizations are carrying out forest management for commercial timber using the techniques above, or forest management areas that have been "certified" as environmentally sound by a recognized independent party. Only the area where sound planning and harvesting is being currently practiced should be included (not the whole concession or forest).</p>
Agroforestry	Agroforestry covers a wide variety of land-use systems combining tree, crop and/or animals on the same land. Two characteristics distinguish agroforestry from other land uses: 1) it involves the deliberate growing of woody perennial on the same unit of land as agricultural crops and/or animals either spatially or sequentially, and 2) there is significant interaction between woody and non-woody components, either ecological or economical. To be counted, at least 15 percent of the system must be trees or woody perennials grown for a specific function (shade, fuel, fodder, windbreak). -- Include the area of land under an agroforestry system in which a positive carbon benefit is apparent (i.e., through the increase in biomass, litter or soil organic matter). Do not include agroforestry systems being established on forestlands that were deforested since 1990.
Reforestation/ Afforestation	The act of planting trees on deforested or degraded land previously under forest (reforestation) or on land that has not previously been under forest according to historical records (afforestation). This would include reforestation on slopes for watershed protection; mangrove reforestation or reforestation to protect coastal areas; commercial plantations and community tree planting on a significant scale, and/or the introduction of trees in non-forested areas for ecological or economic purposes. -- Include the area under reforestation or afforestation (i.e., plantation forests and/or community woodlots). Do not include natural forested areas that have been recently deforested for the purpose of planting trees. Do not include tree planting in agroforestry systems (include this under agroforestry).
Sustainable Agriculture	<p>Agricultural systems that increase or maintain carbon in their soil and biomass through time by employing certain proven cultural</p> <ul style="list-style-type: none"> - no-tillage or reduced tillage - erosion control/soil conservation techniques, especially on hillsides - perennial crops in the system - higher crop yields through better nitrogen and soil management - long-term rotations with legumes - the use of organic mulches, crop residues and other organic inputs into the soil - better management of agrochemicals, by stressing careful fertilizer management that will increase yields while minimizing the use
Special Instructions: Creating a Copy of this Spreadsheet	
Step 1	Finish filling any cells you are working on and hit "Return" or "Enter".
Step 2	Click on "Edit" in the menu bar, above. Go down and click on "Move or Copy Sheet". The "Move or Copy" dialog box will open. (NOTE: You may also open this dialog box by using the right button on your mouse to click on the "T4-2.1 Land Use" tab near the bottom of the screen.)
Step 3	Next, scroll down in the dialog box and click on "T2.1 Land Use".
Step 4	Next, click on the box at bottom to Create a copy.
Step 5	Hit "OK". A new copy of T2.1 Land Use will appear in the row of tabs near the bottom of the screen. PLEASE NOTE: Some cells may not retain all the original text when the sheet is copied, especially in the definitions sections.

Please fill in the YELLOW cells to complete the table.

TABLE 2.3							
Result 2: Reduced Net Greenhouse Gas Emissions from the Land Use/Forest Management Sector							
Indicator 3: National/sub-national policy advances in the land use/forestry sector that contribute to the preservation or increase of carbon stocks and sinks, and to the avoidance of greenhouse gas emissions							
PLEASE SEE DEFINITIONS BELOW		Enter the number of separate steps for each measure					
Policy Measure	Scope (N or S)	STEP 1: Policy Preparation and Presentation	STEP 2: Policy Adoption	STEP 3: Implementation and Enforcement	List Activities Contributing to Each Policy Category	SO Number for Activity	CN/TN Number for Activity
Ex: Facilitates establishment and conservation of protected areas	N	2	1		Two studies completed on national protected areas law for the Environment Min., including recommendations for legal reform; revised National Protected Areas Law adopted, Min. Decree No. 1999/304.	3.1	TN-556-27
Facilitates improved land use planning	N/A	N/A	N/A	N/A			
Facilitates sustainable forest management	N/A	N/A	N/A	N/A			
Facilitates establishment and conservation of protected areas	N/A	N/A	N/A	N/A			
Improves integrated coastal management	N/A	N/A	N/A	N/A			
Decreases agricultural subsidies or other perverse fiscal incentives that hinder sustainable forest management	N/A	N/A	N/A	N/A			
Corrects protective trade policies that devalue forest resources	N/A	N/A	N/A	N/A			
Clarifies and improves land and resource tenure	N/A	N/A	N/A	N/A			
Other (describe)							
Other							
Other							
Other							
Other							
Sub-total(number of policy steps achieved)		0	0	0			
Total (number of policy steps achieved):				0			

Definitions: Scope	
National Policies (N)	Policies that influence issues on a countrywide level.
Sub-national Policies (S)	Policies that affect a tribal nation, province, state or region that are neither national nor site specific in impact.
Definitions: Policy Steps Achieved	
Policy Measure	"Policy measures" may include documentation demonstrating a legal, regulatory, or other governmental commitment to a defined course of action. Thus, for example, "policy measures" would include: a national, state, provincial, or local law; a regulation or
Policy Preparation and Presentation (Step 1)	Draft bill, policy or regulation, vetted through relevant stakeholders in government, non-government, the private sector and civil society, and introduced for debate in appropriate legislative, regulatory, or governmental body.
Policy Adoption (Step 2)	Policy intervention is approved and adopted by the appropriate administrative agency or legislative body. Can take the form of the voting on a law; the issuance of a decree, etc.
Policy Implementation and Enforcement (Step 3)	Actions that put the policy interventions into effect, such as agency personnel trained in procedures, appropriate institutions created or strengthened, or legislation implemented through the appropriate government agency.

Please fill in the YELLOW cells to complete the table.						
TABLE 2.4						
Result 2: Reduced Net Greenhouse Gas Emissions from the Land Use/Forest Management Sector						
Indicator 4: Value of Public and Private Investment Leveraged by USAID for Activities that Contribute to the Preservation or Increase of Carbon Stocks and Reduction of Greenhouse Gas Emissions						
PLEASE SEE DEFINITIONS BELOW						
Activity	Source of Leveraged Funds	Methodology for determining amount of funding	Direct Leveraged Funds	Indirect Leveraged Funds	SO Number for Activity	CN/TN Number for Activity
National Nature Conservation Fund	National Government	Figure reflects direct, in-kind contribution of national government.	\$572,800		3.3	TN-556-27
Big Forest Climate Change Action Project	The Nature Conservancy and the Friends of Nature Foundation	NGOs initiated independent activity with separate funding, building on earlier USAID conservation project.		\$1,700,000	3.3	CN-23-222
N/A						
Total:			\$0	\$0		

Definitions: Funding Leveraged	
Direct Leveraged Funding	Funding leveraged directly in support of current USAID activities and programs, including: <ul style="list-style-type: none"> - funding leveraged from partners for joint USAID activities; - funding for activities in which USAID developed enabling policies, regulations, or provided pre-investment support (prorated); - obligated or committed funding for direct follow-on MDB loan programs (prorated); - obligated or committed funding for direct follow-on private-sector funded programs that reach financial closure (prorated); - joint implementation investments; - Development Credit Authority investments.
Indirect Leveraged Funding	Funding dedicated by other donors or governments to replicate programs that USAID initiated, but which USAID does not or will not itself fund.

Please fill in the YELLOW cells to complete the table.

TABLE 2.5a				
Result 2: Reduced Net Greenhouse Gas Emissions from the Land Use/Forest Management Sector				
Indicator 5a: Increased Capacity to Address Global Climate Change Issues				
Types of institutions strengthened to address GCC issues	Number of Institutions Strengthened	Names of Associations, NGOs, or other Institutions Strengthened	SO Number for Activity	CN/TN Number for Activity
Ex: NGOs	3	Friends of Nature Foundation, SITA, Sustainable Forests Unlimited	3.2	CN-23-222
NGOs	N/A			
Private Institutions	N/A			
Research / Educational Institutions	N/A			
Public Institutions	N/A			
Total Number of Institutions Strengthened:	0			

Please fill in the YELLOW cells to complete the table.

Table 2.5b					
Result 2: Reduced Net Greenhouse Gas Emissions from the Land Use/Forest Management Sector					
Indicator 5b: Technical Capacity Strengthened through Workshops, Research, and/or Training Activities					
	Types of Support Provided (Enter the number of Training/TA activities for each category)				
Category	Training	Technical Assistance	List the Activities that Contribute to Each Capacity Building Category	SO Number for Activity	CN/TN Number for Activity
Ex: Advancing sustainable forest management	1	3	Presentation of nursery & reforestation studies; US training on resource mgmt; env'l impact assessment law training; forest restoration & recovery workshop. TA for fire prevention.	3.3	CN-23-222
Advancing improved land use planning	N/A	N/A			
Advancing sustainable forest management	N/A	N/A			
Advancing establishment and conservation of protected areas	N/A	N/A			
Advancing integrated coastal management	N/A	N/A			
Advancing decreases in agricultural subsidies or other perverse fiscal incentives that hinder sustainable forest management	N/A	N/A			
Advancing the correction of protective trade policies that devalue forest resources	N/A	N/A			
Advancing the clarification and improvement of land and resource tenure	N/A	N/A			
Other (describe)					
Other					
Other					
Other					
Other					
Number of categories where training and technical assistance has been provided:	0	0			

Please fill in the YELLOW cells to complete the table.

TABLE 3.1											
Result 3: Reduced Net Greenhouse Gas Emissions from the Energy Sector, Industry and Urban Areas											
Indicator 1: Emissions of Carbon Dioxide Equivalents Avoided, due to USAID Assistance (Measuring Carbon Dioxide, Methane, and Nitrous Oxide)											
PLEASE SEE FUEL TYPE CODES BELOW	3.1 A - CO2 Emissions avoided through renewable energy activities			3.1 B - CO2 emissions avoided through end use energy efficiency improvements			3.1 C - CO2 emissions avoided through energy efficiency improvements in generation, transmission, and distribution (including new production capacity)				
Activity	3.1A: MW-h produced in electricity generation	3.1A: BTU's produced in thermal combustion	3.1A: Fuel type replaced (use codes)	3.1B: MW-h saved	3.1B: BTU's saved in thermal combustion	3.1B: Fuel type saved (use codes)	3.1C: MW-h saved	3.1C: BTU's saved in thermal combustion	3.1C: Fuel type saved (use codes)	SO number for Activity	CN/TN Number for Activity
Renewable Energy Production Prog.	512,258		J							2.1	CN-120-97
Steam & Combustion Efficiency Pilot Proj.					1,832,144	J				2.1	CN-120-97
Power Sector Retrofits							912,733		T	2.1	CN-120-97
Armenia Power Supply/Demand Side Management				N/A	N/A	H	N/A	N/A	H	1.5	TN-78
Armenia Electricity and Natural Gas Reform				N/A	N/A	H	N/A	N/A	H	1.5	TN-78
Energy Service Companies Development (ESCO) program				N/A	N/A	H	N/A	N/A	H	1.5	TN-78
Totals:	0	0		0	0		0	0			

PLEASE SEE FUEL TYPE CODES BELOW		3.1 D - CO2 emissions avoided as a result of switching to cleaner fossil fuels (including new production capacity)			3.1 E - Methane emissions captured from solid waste, coal mining, or sewage treatment	3.1 F - Tonnes of nitrous oxide emissions avoided through improved agriculture	SO number for Activity	CN/TN Number for Activity
Activity	3.1D: MW-h produced in electricity generation	3.1D BTUs produced in thermal combustion	3.1D Old fuel type (use codes)	3.1D New fuel type (use codes)	3.1E: Tonnes of methane	3.1F: Tonnes of nitrous oxide		
Clean Fuels Program	4,551		H	FF			2	CN-120-97
Municipal Landfill Proj.					450		2	CN-120-97
Sust. Ag. & Devt. Proj.						575	2	CN-120-97
ESCO Development	N/A	N/A	H		N/A	N/A	1.5	TN-78
NREL	N/A	N/A	H		N/A	N/A	1.5	TN-78
Totals:	0	0			0	0		

Codes for Fule Type			
Fuel Types		Code	Fuel Name
Liquid Fossil	Primary Fuels	A	Crude oil
		B	Orimulsion
		C	Natural gas liquid
	Secondary Fuels	D	Gasoline
		E	Jet kerosene
		F	Other kerosene
		G	Shale oil
		H	Gas/diesel oil
		J	Residual fuel oil
		K	LPG
		L	Ethane
		M	Naphtha
		N	Bitumen
		O	Lubricants
		P	Petroleum coke
		Q	Refinery feedstocks
		R	Refinery gas
		S	Other oil
Solid Fossil	Primary Fuels	T	Anthracite (coal)
		U	Coking coal
		V	Other bituminous coal
		W	Sub-bituminous coal
		X	Lignite
		Y	Oil shale
		Z	Peat
	Secondary fuels/ products	AA	BKB & patent fuecla
		BB	Coke oven/gas coke
		CC	Coke oven gas
		DD	Blast furnace gas
Gaseous Fossil		EE	Natural gas (dry)
Biomass		FF	Solid biomass
		GG	Liquid biomass
		HH	Gas biomass

Please fill in the YELLOW cells to complete the table.

TABLE 3.3

Result 3: Decreased Net Greenhouse Gas Emissions from the Energy Sector, Industry, and Urban Areas

Indicator 3: National/sub-national policy advances in the energy sector, industry and urban areas that contribute to the avoidance of greenhouse gas emissions

PLEASE SEE DEFINITIONS BELOW

Policy Measure	Scope (N or S)	STEP 1: Policy Preparation and Presentation	STEP 2: Policy Adoption	STEP 3: Implementation and Enforcement	List Activities Contributing to Each Policy Category	SO Number for Activity	CN/TN Number for Activity
Example: Facilitates improved demand side management or integrated resource planning	N	2	1		Mission supported introduction of two decrees for energy tariff reforms (pursuant to National Energy Reform Law) in the national parliament; one decree was adopted.	2.4	CN-577-92
Facilitates improved demand side management or integrated resource planning	N	1			Metering Improvement Proj.; Development of Least Cost Generation Plan; DSM Study	1.5	TN-78
Facilitates competitive energy markets that promote market-based energy prices, decrease fossil fuel subsidies, or allow open access to independent providers	N	1			Privatization of Armenia Energy Sector entities; Development of draft Grid Code; Strengthening Regional Energy Linkages.	1.5	TN-78
Facilitates the installation of energy efficient or other greenhouse gas reducing technologies, including improved efficiencies in industrial processes							
Facilitates the use of renewable energy technologies	N	1			NREL - conduct of feasibility analysis of wind systems in Armenia, development of wind energy resource maps for Armenia, and assess the wind energy resource on a micro-scale level for identified areas using wind resource monitoring equipment	1.5	TN-78
Facilitates the use of cleaner fossil fuels (cleaner coal or natural gas)							
Facilitates the introduction of cleaner modes of transportation and efficient transportation systems							
Promotes the use of cogeneration							
Other (describe)							
Other							
Other							
Other							
Other							
Sub-total (number of policy steps achieved):		3	0	0			
Total (number of policy steps achieved):				3			

Definitions: Scope	
National Policies (N)	Policies that influence issues on a countrywide level.
Sub-national Policies (S)	Policies that affect a tribal nation, province, state or region that are neither national nor site specific in impact.
Definitions: Policy Steps Achieved	
Policy Measure	"Policy measures" may include documentation demonstrating a legal, regulatory, or other governmental commitment to a defined course of action. Thus, for example, "policy measures" would include: a national, state, provincial, or local law; a regulation or decree; guidance issued by an agency, ministry, or sub-national body; a land use plan; a National Environmental Action Plan; a Climate Change Action Plan; or a National Communication to the IPCC. The term "policy measures" does not include technical documentation, such as technical reports or land use maps, nor site-specific activities reported under Indicators 1 and 2 (e.g., legal demarcation of individual site or granting of community access to single location).
Policy Preparation and Presentation (Step 1)	Draft bill, policy or regulation, vetted through relevant stakeholders in government, non-government, the private sector and civil society, and introduced for debate in appropriate legislative, regulatory, or governmental body.
Policy Adoption (Step 2)	Policy intervention is approved and adopted by the appropriate administrative agency or legislative body. Can take the form of the voting on a law; the issuance of a decree, etc.
Policy Implementation and Enforcement (Step 3)	Actions that put the policy interventions into effect, such as agency personnel trained in procedures, appropriate institutions created or strengthened, or legislation implemented through the appropriate government agency.

Please fill in the YELLOW cells to complete the table.

Table 3.4				
Result 3: Reduced Net Greenhouse Gas Emissions from the Energy Sector, Industry and Urban Areas				
Indicator 4: Strategies/Audits that Contribute to the Avoidance of Greenhouse Gas Emissions				
Activity	Number of audits or strategies completed	Number or audit recommendations or strategies implemented	SO Number for Activity	CN/TN Number for Activity
Steam & Combustion Efficiency Pilot Project	41	35	2.1	CN-577-92
N/A				
Total:	0	0		

Please fill in the YELLOW cells to complete the table.

TABLE 3.5						
Result 3: Reduced Net Greenhouse Gas Emissions from the Energy Sector, Industry and Urban Areas						
Indicator 5: Value of Public and Private Investment Leveraged by USAID for Activities that Reduce Greenhouse Gas Emissions						
PLEASE SEE DEFINITIONS BELOW						
Activity	Source of Leveraged Funds	Methodology for determining amount of funding	Direct Leveraged Funds	Indirect Leveraged Funds	SO Number for Activity	CN/TN Number for Activity
National Renewable Energy Program	Dept. of Energy, World Bank-GEF	DOE direct buy-in to USAID. In FY99, GEF funded replication of NREP activity begun in FY98.	\$120,000	\$2,500,000	2	CN-577-92
N/A						
Total:			\$0	\$0		

Definitions: Funding Leveraged	
Direct Leveraged Funding	Funding leveraged directly in support of USAID activities and programs, including: <ul style="list-style-type: none"> - funding leveraged from partners for joint USAID activities; - funding for activities in which USAID developed enabling policies, regulations, or provided pre-investment support (prorated); - obligated or committed funding for direct follow-on MDB loan programs (prorated); - obligated or committed funding for direct follow-on private-sector funded programs that reach financial closure (prorated); - joint implementation investments; - Development Credit Authority investments.
Indirect Leveraged Funding	Funding dedicated by other donors or governments to replicate programs that USAID initiated, but which USAID does not or will not itself fund.

Please fill in the YELLOW cells to complete the table.

TABLE 3.6a

Result 3: Reduced Net Greenhouse Gas Emissions from the Energy Sector, Industry and Urban Areas

Indicator 6a: Increased Capacity to Address Global Climate Change Issues

Types of institutions strengthened to address GCC issues	Number of Institutions Strength-ened	Names of Associations, NGOs, or other Institutions Strengthened	SO Number for Activity	CN/TN Number for Activity
Ex: NGOs	3	Center for Cleaner Production, Association of Industrial Engineers, National Solar Energy Foundation, Clean Air Alliance, Institute for Industrial Efficiency	2.4	CN-577-92
NGOs	1	Armenian Chapter of the International Association of Energy Engineers	1.5	TN-78
Private Institutions	3	Resource Management of Armenia; SolarEN; Advanced Engineering Associates International	1.5	TN-78
Research/Educational Institutions				
Public Institutions				
Total Number of Institutions Strengthened:	4			

Please fill in the YELLOW cells to complete the table.

Table 3.6b					
Result 3: Reduced Net Greenhouse Gas Emissions from the Energy Sector, Industry and Urban Areas					
Indicator 6b: Technical Capacity Strengthened through Workshops, Research, and/or Training Activities					
	Types of Support Provided (Enter the number of Training/TA activities for each category)				
Category	Training	Technical Assistance	List the Activities that Contribute to Each Capacity Building Category	SO Number for Activity	CN/TN Number for Activity
Example: Use of renewable energy technologies	1	3	Developed sustainable markets for renewable energy technologies. Over 200 renewable energy systems installed. Training for utilities, government officials, NGOs. Study on renewable energy applications completed.	2.4	CN-577-92
Improved demand-side management or integrated resource planning planning	x	x	DSM Study; ESCO Development Program, Least Cost Generation Plan	1.5	TN-78
Competitive energy markets that promote market-based energy prices, decrease fossil fuel subsidies, or allow open access to independent providers	x	x	Power Sector Reform/Pricing Policy including evaluations, assessments and training programs designed to facilitate competitive markets and market-based energy prices. Energy Management Training program conducted in the areas of electric power, natural gas, and business improvement/support of the privatization process.	1.5	TN-78
Installation of energy efficient or other greenhouse gas reducing technologies, including improved efficiencies in industrial processes					
Use of renewable energy technologies		x	NREL - conduct of feasibility analysis of wind systems in Armenia, development of wind energy resource maps for Armenia, and assess the wind energy resource on a micro-scale level for identified areas using wind resource monitoring equipment	1.5	TN-78
Use of cleaner fossil fuels (cleaner coal or natural gas)					
Introduction of cleaner modes of transportation and efficient transportation systems					
Use of cogeneration					
Other (describe)					
Other					
Other					
Other					
Other					
Total number of points for Training/Technical Assistance:	2	3			

Please fill in the YELLOW cells to complete the table.

Table 4								
Result 4: Reduced Vulnerability to the Threats Posed by Climate Change								
Indicator: USAID Programs that Reduce Vulnerability to Climate Change								
PLEASE SEE DEFINITIONS BELOW								
Key Area	Country	Budget	Duration	Type of Program (see codes below)	Description	SO Name	SO Number for Activity	CN/TN Number for Activity
Example: ii	South Africa	\$1,200,000	FY96-FY99	3	Technical assistance to Rand Water Board to address water resources planning for water shortages	Increased Access to Environmentally Sustainable Housing and Urban Services for the HDP	SO6	
iii	Armenia	\$4,500,000	FY01 - FY04	1, 2, 3	Armenia National Sustainable Water Management program	More Sustainable Water Management for Enhanced Environmental Quality	SpO 1.6	TN-78
iv	Armenia	\$4,500,000	FY01 - FY04	1	Armenia National Sustainable Water Management program	More Sustainable Water Management for Enhanced Environmental Quality	SpO 1.6	TN-78

Definitions: Key Areas	
Coastal Zones	Number of programs that are reducing the vulnerability of coastal populations, infrastructure, habitats and living resources to accelerated sea level rise or other environmental changes associated with climate change (e.g., water availability, resource availability, temperature).
Emergency Preparedness	Number of programs that are increasing ability to cope with and minimize the damage from natural disasters (e.g., drought, famine, disease outbreaks) through surveillance, early warning, emergency preparedness, capacity building, etc.
Agriculture and Food Security	Number of programs that are increasing adaptability and resilience of agriculture and food systems to changes in temperature, water availability, pest and pathogen presence or prevalence, soil moisture and other changes in environmental parameters (e.g., crop diversification, water conservation and delivery, flexible market and trade systems).
Biodiversity/Natural Resources	Number of programs that are increasing the adaptability of natural ecosystems and levels of biodiversity to changes in temperature, water availability, pest and pathogen presence or prevalence, soil moisture and other changes in environmental parameters (e.g., establishment of biological corridors, habitat conservation, preservation of ex situ germplasm).
Human Health and Nutrition	Number of programs that are reducing vulnerability to climate change through improved access to and quality of health services, vector control, nutrition and environmental health interventions.

	Key Area Codes	Codes for Type of Programs
Coastal Zones	i	1. Urban/Infrastructure
		2. Natural Resource
Emergency Preparedness	ii	1. Early Warning System
		2. Humanitarian Response
		3. Capacity Building
Agriculture & Food Security	iii	1. Research and Development
		2. Policy Reform
		3. Extension/ Demonstration
Biodiversity/Natural Resources	iv	1. Preservation of Biodiversity
		2. Forest Conservation
Human Health and Nutrition	v	1. Improved Quality of Health Services
		2. Vector Control
		3. Improved Nutrition

SUCCESS STORIES

Related Strategic Objective: 1.3 Growth of the Competitive Private Sector

In the spring of 2000, Sister Arousiag Sajonian of the Our Lady of Armenia Convent in Gyumri, Armenia, wanted to import playground equipment to install at the Boghossian Park Orphanage in Gyumri and at a summer camp facility in Tsakhkadzor, Armenia. The USAID-funded International Executive Service Corps (IESC) suggested the possibility of finding a company with the capability of producing the equipment locally. Sister Arousiag and IESC approached Artur Hovsepyan, the Director of Magnon Company.

Mr. Hovsepyan was interested in the project but he did not have experience manufacturing and installing playground equipment. During the Soviet period, the Magnon factory, located in Gyumri, Armenia, was a well-known producer of sophisticated equipment for the Soviet Defense industry. The earthquake in 1988 destroyed much of the factory. The collapse of the Soviet Union a year later, and the subsequent drop in demand for military equipment, forced Magnon to cease operations entirely. In 1999, the Government of Armenia privatized the factory and the new “Magnon Company” began producing light machinery, including solar heating tanks, food processing equipment and cooling fans to sell in the local market.

At Mr. Hovsepyan’s request, IESC began working with Magnon Company in the spring of 2000. IESC provides technical assistance to Small and Medium Enterprises (SME) in Armenia as a part of USAID/Armenia’s Private Sector Reform Program. IESC provides assistance in three ways: through technical assistance from volunteer business experts; by providing assistance to businesses looking for information and assistance in the United States; and by providing market research to help businesses find markets for their products, new technology, distribution and other such information. Since 1992, IESC has worked with more than 250 SMEs in Armenia.

IESC consultants helped Magnon find and translate production and installation standards and safety regulations and helped Magnon develop a pricing structure for the equipment. Consultants also worked with Magnon to develop a marketing strategy including publishing a catalog and developing contacts with potential buyers in Armenia and abroad. IESC consultants are also helping the company find ways to improve manufacturing technologies.

In July 2000, Magnon produced the first playground and installed it at the summer camp facility in Tsakhkadzor, Armenia. In the spring of 2001, two additional playgrounds will be installed at the Boghossian Park Orphanage in Gyumri. Magnon has three additional playgrounds on order and they are negotiating additional orders with several buyers in the United States. As a result of the increase in work, Magnon now employs a staff of 25 full time engineers, technicians, managers, and support staff. They are also training 15 additional technicians to hire on a contract basis to help with additional orders. “This year, we have been able to keep our twenty-five member staff employed through the normally slow winter months. Twenty-five employees translates into over one hundred people being fed, clothed and housed. In an economy as depressed as Gyumri’s, that’s an achievement I am proud of.”

The International Executive Service Corps/Armenia activities are part of USAID/Armenia's Private Sector Reform Program. Since 1995, USAID/Armenia has undertaken macro- and micro-level initiatives to transform the business climate in Armenia. Specific USAID interventions include the promotion of policy, legal and regulatory and institutional changes to improve the prospects for competitive business development and private investment; and the provision of firm-level credit, technical assistance and training.

Strategic Objective 2.1: More Transparent, Accountable, and Responsive Democratic Governance

Two years ago, the USAID-funded National Democratic Institute (NDI) and its Armenian partner It's Your Choice (IYC) began a project in Verin Artashat to help local citizens and the local government better identify and address the needs of the community. Verin Artashat is a medium size agricultural-based village in a central province of Armenia. The majority of its five thousand citizens are unemployed. The budget of the local government is small and little assistance comes from the regional or national government. Therefore, the local government's ability to meet citizens' needs is limited. NDI and IYC helped the village organize a town hall meeting and form a Citizen Advisory Committee (CAC). The 5 members of the Verin Artashat CAC were elected during the town hall meeting.

NDI and IYC are implementing this project to increase civic awareness and participation in Armenia. Through December 2000, NDI and IYC have conducted more than 480 town hall meetings across the country and, as a result, 101 CACs have been formed. Once formed, a CAC works with the local government to determine the most pressing needs of the community and help find creative ways to address them.

In Verin Artashat, the CAC determined that one of the most critical problems facing the community was the lack of drinking water in the neighborhood where the community hospital is located. The CAC and the local government approached the neighboring village of Bertik to request assistance. Because it is located close to a natural reservoir, the Bertik Village had a constant supply of running water. The local government of Verin Artashat, the Verin Artashat CAC, and the local government of Bertik Village agreed to connect the water systems between the two communities to provide running water to the hospital neighborhood. Due to budget constraints, the local government of Verin Artashat could only afford to allocate 275,000 dram (approximately \$500) from the local budget for the project. To help bridge the cost of constructing the 90 meters of pipeline, the CAC and the local government requested the citizens of the neighborhood to donate a relatively small amount of money or labor. The majority of families donated between 300-500 drams (approximately \$.60- \$.80) to purchase the pipes. The citizens who could not afford to donate money donated labor to construct the pipeline. In all, 60 meters of pipeline was renovated and a new line purchased and installed to transport water from Bertik to the hospital neighborhood of Verin Artashat. A regulator was also installed on the pipeline to ensure that the water is equally distributed between the two villages. Today, the hospital neighborhood has drinking water 3-4 hours per day. The Verin Artashat CAC and the local government are currently working on a project to install nine kilometers of an irrigation pipeline that will help struggling farmers in the village.

The NDI/IYC activity is part of USAID/Armenia's Democracy Program. The goal of the Democracy Program is to develop more transparent, accountable, and responsive democratic governance in Armenia. To meet this goal, the program works with both governmental and non-governmental actors to strengthen democratic institutions and organizations and to increase citizen confidence in them. USAID is also working with local governments to strengthen their capacity to manage resources and respond to citizens' concerns.

Related Strategic Objective 3.4: Mitigation of the Adverse Effects of the Transition

In the small village of Odzun, located in the northern part of Armenia, 60 women gathered together for a four-hour seminar on reproductive health. This seminar was one of many community activities conducted under the USAID-funded Green Path Campaign for Family Health. Before this seminar, the women of Odzun were not aware of basic information regarding women's health, and many had not had a gynecological exam for years. An Armenian gynecologist, trained by international experts in modern methods of contraception and reproductive health, led the seminar. Immediate rapport was established between the women and the doctor; this Yerevan-based physician is a native of the region and well known from her appearance in one of the television ads for the campaign.

The women sat riveted for two hours while the doctor talked about women's health, family planning, AIDS and STDs. Although questions were encouraged during the talk, the women held back, reluctant to discuss these sensitive issues on a personal level in such a large group. Before the coffee break the doctor put out an empty box and invited women to write down their questions and put them in the box. By the end of the break, the box was full.

The remainder of the time was devoted to women's questions. One woman had an IUD that was inserted 17 years ago. She wondered if she needed to have it changed or checked by a doctor. Another woman asked if an IUD could cause neuroses. Several women had heard of a golden IUD that was supposed to have fewer side effects. A couple of women described symptoms of STDs, wondering what was wrong with them. Many wanted to discuss problems in their relationships with their husbands. For some of the women, this seminar was the first opportunity they had to talk directly to a physician about these topics.

A spokesperson for the group stood after the seminar and strongly expressed the desire of the women for additional seminars for themselves and, interestingly, for their husbands. The reproductive health information that they had received in just four hours was more than most had acquired in their entire lives.

Although 77 government-sponsored family planning (FP) cabinets or centers were set up across Armenia in 1997 with support from UNFPA, many Armenians were not aware of the services and resources that are available at these centers. The Johns Hopkins University's Population Communications Service (JHU/PCS) national information campaign, which was implemented between June and November 2000, promoted the use of the family planning cabinets, and was supplemented by a more intensive community outreach program in the Lori and Vayots Dzor regions. The program also trained doctors from the family planning cabinets in counseling and interpersonal communication skills, as well as pharmacists in Yerevan on quality customer service and contraceptive technology.

This activity was part of USAID's ongoing effort to improve reproductive and primary health care in Armenia.

Related Strategic Objective 4.2: Special Initiatives

In December 1988, Garnik Shigiryan was working in the local machine tool factory and living with his wife in a two-room apartment on Yerevanyan Khjugh (Yerevan Avenue). The earthquake on December 7, 1988 destroyed both the factory where he worked and the apartment building where they lived. For the past twelve years, Garnik and his wife Maryan have lived in a temporary shelter. Like most residents in the area, Garnik and Maryan's temporary shelter was a metal shipping container, called a domic, which was used to ship humanitarian relief to the region after the earthquake. In the Yerevanyan Khjugh neighborhood alone there are over 700 families living in this kind of temporary shelter. Most domics do not have their own piped water or gas, and residents rely mainly on wood burning stoves or kerosene for heat and cooking. In summer, the temperatures inside domics often reach 100°F and fall below freezing in the winter.

For the past twelve years, the Government of Armenia and international donors have struggled to provide housing to the approximately 26,000 households still living in temporary shelter due to the 1988 earthquake. In 1999, USAID built on initial analyses supported by the World Bank to develop new and more cost-efficient models for re-housing these families. In March 2000, drawing on experience with a similar USAID program in Russia, USAID, with co-financing from the Government of Armenia, began implementing a pilot project to test the housing certificate model in the Yerevanyan Khjugh neighborhood in Gyumri.

On April 28, 2000, Garnik and Maryan, and their two young children, Artur and Tigran, received one of the first five housing certificates issued under the pilot project. According to Garnik, "when we agreed to participate in the project, we didn't really expect that we'd end up with an apartment -- after all, we've been promised housing for twelve years and we'd simply lost hope."

Within three months, the Shigiryan's were able to find an apartment and sign a sales agreement to purchase a new home. On July 11, 2000, Garnik and Maryan Shigiryan, and their two sons, Artur and Tigran, moved into a new three room apartment on the first floor of a stone building ten minutes by bus from their old neighborhood. "...through the HPC program it didn't take long at all for us to find an apartment. We are much more optimistic about the future now." When the Shigiryan's moved into their new home, their former domic was removed, clearing land for future development and providing a visible sense of recovery to the neighborhood.

Since the beginning of the pilot project in March 2000, 237 certificates have been issued to eligible households, and more than 100 temporary shelters have been destroyed. Before this program began, local authorities had not removed a temporary structure, even when it had been vacated, in 6 years. In 2001, based on the experience of the pilot project, USAID will initiate a broader program in the earthquake zone, to meet the shelter needs of up to 7,000 households through the use of housing certificates and home improvement grants, within the framework of an integrated plan for redevelopment of the region.

E&E R4 Detailed Budget Information

*Please refer to separate Excel files “**R4 Detailed Budget.xls**” located in the folder “Country03R2B_Data”*

**FY 2001 - FY 2003
COUNTRY RESOURCE REQUEST
USAID/ARMENIA**

Last revision date:
February 26, 2001

Name of SO / Component	FY 2001			FY 2002	FY 2003
	FY00/01 Carryover	FY01/02 OYB	TOTAL CO + OYB		
110-013 GROWTH OF COMPETITIVE PRIVATE SECTOR	\$5,237,707	\$15,000,000	\$20,237,707	\$21,200,000	\$21,800,000
SME Development	\$0	\$6,375,000	\$6,375,000	\$3,500,000	\$5,500,000
Comprehensive Market Reform	\$3,006,707	\$3,649,627	\$6,656,334	\$5,000,000	\$4,600,000
Financial Sector Reform	\$1,850,000	\$1,300,000	\$3,150,000	\$4,200,000	\$4,200,000
Market Environment	\$0	\$3,625,373	\$3,625,373	\$7,600,000	\$6,850,000
ADMIN Tech Support / Field Management	\$381,000	\$50,000	\$431,000	\$900,000	\$650,000
110-015 A MORE ECONOMICALLY SUSTAINABLE AND ENVIRONMENTALLY SOUND ENERGY SECTOR	\$5,746,238	\$6,500,000	\$12,246,238	\$3,100,000	\$11,000,000
Pricing & National Policy	\$0	\$575,000	\$575,000	\$575,000	\$575,000
Energy Efficiency / Performance Improvement	\$4,100,000	\$1,421,816	\$5,521,816	\$2,200,000	\$5,500,000
Energy Subsector Privatization/Restructuring	\$1,646,238	\$4,253,184	\$5,899,422	\$0	\$4,500,000
ADMIN Tech Support / Field Management	\$0	\$250,000	\$250,000	\$325,000	\$425,000
110-016 MORE SUSTAINABLE WATER MANAGEMENT FOR ENHANCED ENVIRONMENTAL QUALITY	\$1,697,480	\$0	\$1,697,480	\$1,200,000	\$1,800,000
Environmental Policy and Institutional Building	\$1,677,480	\$0	\$1,677,480	\$1,000,000	\$1,572,213
ADMIN Tech Support / Field Management	\$20,000	\$0	\$20,000	\$200,000	\$227,787
110-021 More Transparent, Accountable and Responsive Democratic Governance	\$3,959,320	\$9,000,000	\$12,959,320	\$11,000,000	\$10,000,000
Political & Civic Organizations	\$800,000	\$5,050,000	\$5,850,000	\$4,200,000	\$3,608,695
Public Administration/Local Government	\$2,200,000	\$0	\$2,200,000	\$2,205,721	\$1,500,000
Independent Media	\$0	\$1,563,553	\$1,563,553	\$1,700,000	\$1,598,754
Rule of Law	\$734,320	\$2,086,447	\$2,820,767	\$2,664,883	\$2,700,000
ADMIN Tech Support / Field Management	\$225,000	\$300,000	\$525,000	\$229,396	\$592,551
110-034 MITIGATION OF ADVERSE EFFECTS OF THE TRANSITION	\$500,000	\$13,100,000	\$13,600,000	\$15,500,000	\$8,000,000
Social Safety	\$500,000	\$9,101,896	\$9,601,896	\$12,256,226	\$4,000,000
Medical Partnerships	\$0	\$1,450,000	\$1,450,000	\$1,350,000	\$1,000,000
Health Finance & Service Delivery Alternatives	\$0	\$747,000	\$747,000	\$605,683	\$1,200,000
Family Planning / Reproductive Health	\$0	\$1,400,000	\$1,400,000	\$1,000,000	\$1,500,000
ADMIN Tech Support / Field Management	\$0	\$401,104	\$401,104	\$288,091	\$300,000
110-TBD EQZ SPECIAL OBJECTIVE	\$14,500,000	\$5,000,000	\$19,500,000	\$11,000,000	\$0
Earthquake Zone Housing Program	\$14,250,000	\$5,000,000	\$19,250,000	\$10,750,000	\$0
ADMIN Tech Support / Field Management	\$250,000	\$0	\$250,000	\$250,000	\$0
110-042 CROSS-CUTTING / SPECIAL INITIATIVES	\$3,500,000	\$6,700,000	\$10,200,000	\$6,000,000	\$5,400,000
Other Social/Regional Initiatives	\$3,000,000	\$400,000	\$3,400,000	\$1,204,200	\$900,000
Environmental Policy/Institution Bldg. (Regional)	\$500,000	\$1,000,000	\$1,500,000	\$295,800	\$0
EURASIA Foundation	\$0	\$3,000,000	\$3,000,000	\$2,000,000	\$2,000,000
Buy-in Global Participant Training	\$0	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
ADMIN Tech Support / Field Management	\$0	\$300,000	\$300,000	\$500,000	\$500,000
USAID Total	#####	\$55,300,000	\$90,440,745	\$69,000,000	\$58,000,000

· FY 2002 planning level includes additional \$11 million for the EQZ, which was not considered as part of the planning level in last R4.